

**PALI COMMERCIAL COMPANY
LIMITED**



42ND ANNUAL REPORT 2022-23

CORPORATE INFORMATION

Board of Directors

- | | |
|-----------------------------|---|
| 1. Mrs. Vinita Khaitan | Managing Director |
| 2. Mr. Manoj Khemka | Non- Executive & Independent Director |
| 3. Mr. Suresh Kumar Murarka | Non- Executive Director |
| 4. Mr. Nikunj Khaitan | Executive Director (w.e.f. 01 st December, 2022) |
| 5. Mr. Aswani Nangalia | Executive Director & CFO (Resigned on 31.10.2022) |

Chief Financial Officer

Mr. Nikunj Khaitan
(appointed w.e.f 01st December, 2022)

Registrar & Share Transfer Agent

MAHESHWARI DATAMATICS PVT LTD

Company Secretary & Compliance Officer

Ms. Rakhi Kumari Agarwal
(appointed w.e.f 08th August, 2022)

23, R.N. Mukherjee Road 5th Floor
KOLKATA-700001
Phone No. 033-22482248, 033-22484787
e-mail: mdpldc@yahoo.com

AUDITORS

Statutory Auditors

Agarwal Gupta Nokari & Rustagi Associates
Chartered Accountants
12, Waterloo Street, 3rd Floor, Kolkata - 700069

Registered Office

32, EZRA STREET, 7TH FLOOR, ROOM
NO- 755, KOLKATA WB 700001 IN
e-mail - pali@khaitanwire.com
CIN: L51909WB1981PLC034414

Secretarial Auditor

Ms. Shruti Agarwal, Practicing Company Secretary
Mob: +91-9330826989
Email- cs.agarwalshruti@gmail.com

Bankers

Indian Overseas Bank

PALI COMMERCIAL COMPANY LIMITED
42nd Annual Report for the year ended 31st March, 2023

1. Date of Annual General Meeting :Thursday, September 28, 2023
2. Time and Venue :01:00 P.M and 32, EZRA STREET, 7TH FLOOR, ROOM
NO- 755, KOLKATA WB 700001 IN

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PALI COMMERCIAL COMPANY LIMITED

Registered Office: 32, Ezra Street, 7th Floor, Room No- 755, Kolkata - 700001;
Email id: pali@khaitanwire.com; Website: <https://www.palicommercial.com/>
CIN: L51909WB1981PLC034414; Phone: +91 6292264776

NOTICE

Notice is hereby given that the 42nd Annual General Meeting of the Members of **M/s Pali Commercial Company Limited** will be held on **Thursday, the 28th day of September, 2023** at 01.00 P.M. (IST) at 32, Ezra Street, 7th Floor, Room No- 755, Kolkata - 700001 to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2023 together with the Reports of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mrs. Vinita Khaitan (DIN: 07168477) who retires by rotation, under the provisions of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. Re-Appointment of Mrs. Vinita Khaitan (07168477) as a Managing Director of the Company

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

"RESOVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, and the Rules made there under of Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), subject to any other approvals as may be required the consent of the members of the company, be and is hereby accorded to the re-appointment of Mrs. Vinita Khaitan (DIN: 07168477) as the Managing Director of the Company for a period of five years with effect from 01st August, 2023 to 31st July, 2028, and on the terms and conditions as set out in the Agreement.

By Order of the Board
PALI COMMERCIAL COMPANY LIMITED

Registered Office:

32 Ezra Street, 7th Floor, Room No 755, Kolkata-700001

S/d
Rakhi Kumari Agarwal
Company Secretary

Place: Kolkata

Date: 04th September, 2023

NOTES:

1. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the Special Business to be transacted at this Annual General Meeting ('AGM') is annexed hereto.
2. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, Brief details relating to Director retiring by rotation seeking re-appointment at this AGM are annexed hereto.
3. Pursuant to the provision of the Act, a Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a person as a proxy to attend and vote on his/her behalf and the proxy need not be the Member of the Company.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member. Hence the Proxy Form and Attendance Slip including Route map are annexed to this notice.

The instrument of proxy, in order to be effective must be duly filled, stamped and signed and should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

4. Every Member entitled to vote at the Meeting shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, to inspect the proxies lodged, provided that not less than three days' notice in writing of the intention to inspect is given by the Member to the Company.

5. In terms of the provisions of Section 112 & 113 of the Act, read with the rules made thereunder, Corporate/institutional members (i.e. other than individuals, HUF, NRI etc.) are requested to send to the Company a certified scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. authorizing their representatives to attend and vote on their behalf at the AGM with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the to the Scrutinizer by e-mail at cmaadityabhojgaria@yahoo.com with a copy marked to evoting@nsdl.co and pali@khaitanwire.com.

6. In case of joint holders, the Member's whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote electronically during the AGM.

7. To promote the optimum utilization of natural resources responsibly and in compliance with the Circulars issued by MCA vide General Circular No. 2/2022 dated May 5, 2022 and SEBI Circular dated May 13, 2022 read with SEBI Circular dated January 15, 2021, May 12, 2020 and other such relevant circulars issued in this behalf from time to time and in order to support the "Green Initiative in the Corporate Governance" by the Ministry of Corporate Affairs, we requests the Members who have not yet registered their e-mail ID with the Company, to register their e-mail address, in respect of electronic holdings with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with the Company's Registrar & Share Transfer Agent, M/s Maheshwari Datamatics Private Limited at mdpldc@yahoo.com mentioning their Name and Folio No. The Members can also register their e-mail address with the Company by sending an email at pali@khaitanwire.com mentioning their Name and Folio No. The Company is concerned about protecting the environment and utilizing natural resources in a sustainable way.

8. The Annual Report for 2022-23 and Notice of the 42nd Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in electronic form, to all such Members whose email IDs are registered with the Company/Depository Participants(s)/ Company's Registrar & Share Transfer Agent unless any member has requested for a physical copy of the same. For Member who have not registered their email address, physical copies of Notice being sent by the permitted mode. Members may also note that Notice of 42nd Annual General Meeting and Annual Report for 2022-23 will also be available on Company's website at : <https://www.palicommercial.com/> for their download.

9. Members / Proxies / Authorized Representatives should bring the attendance slips duly filled-in for attending the Meeting and deliver the same at the entrance of the Meeting place. Proxy / Authorized Representative of a Member should mark on the Attendance Slip as "Proxy" or "Representative", as the case may be. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID No. for easy identification of attendance at the Meeting. Copies of the Annual Report will not be distributed at the Meeting. Members are requested to carry their copies of the Annual Report to the Meeting. Further, please note that Duplicate Attendance Slips shall not be issued.

10. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants. Members holding shares in physical form are requested to notify change if any, in their present residential address or bank mandates under their signatures immediately to the Company / Registrar and Share Transfer Agent of the Company, quoting their folio number.

11. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agent immediately of :

- a. Change in their residential status on return to India for permanent settlement.
- b. Particulars of their bank account maintained in India with complete name, branch, account type, account number, and address of the Bank with pin code number.

12. Members who hold shares in physical form and wish to make/change a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit such information in the prescribed form SH-13 or SH-14 as required, to the Company's Registrar & Share Transfer Agent.

13. All Statutory Registers and other relevant documents referred to in the Notice and the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Public holidays, between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting and also at the Meeting.

The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

Members desirous of obtaining any relevant information with regard to the accounts of the Company at the Meeting are requested to send their requests to the Company at least seven days before the date of the Meeting so as to enable the Company to keep the information ready.

14. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant for various securities market transactions. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / RTA for registration of transmission / transposition, deletion of name etc.

15. In order to enhance the ease of doing business for investors in the securities market, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021, read together with the SEBI Circular No. SEBI/ HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December, 2021 (hereinafter, collectively 277 referred as the "SEBI KYC Circulars") mandated furnishing of PAN, full KYC details and Nomination by the holders of physical securities. The Company has intimated the concerned security holders about the folios which are incomplete in terms of the SEBI KYC Circulars. The folios wherein the above details are not available shall be frozen in the manner and timelines given in the SEBI KYC Circulars. Further, in terms of the SEBI KYC Circulars, the securities in the frozen folios shall be eligible for payment including dividend only through electronic mode, in the manner and timelines given therein. The payment shall be made electronically upon complying with the relevant requirements of the SEBI KYC Circulars. Accordingly, Members are hereby requested to kindly comply with the SEBI KYC Circulars.

16. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated 25th January, 2022 has now decided that, with immediate effect, listed companies shall issue the securities in dematerialized form only, while processing investor service request pertaining to issuance of duplicate share certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificates, endorsement, sub-division/splitting/

consolidation of share certificates, transmission and transposition. The securities holder/ claimant are, accordingly, required to submit duly filled-up Form ISR-4, the format of which can be downloaded from the RTA's website, i.e. : <https://www.mdpl.in/> Members holding shares in physical form are, accordingly, requested to consider converting their holding to dematerialized form.

17. The Company has designated an exclusive e-mail ID pali@khaitanwire.com which would enable the members to communicate their grievances. The Members may send their grievances, if any, to this e-mail ID for its quick redressal.

Voting through Electronic Means:

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities and Depository Limited (NSDL).

2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

3. The remote e-voting period commences on 25th September, 2023 (10:00 am) and ends on 27th September, 2023 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of, 21st September 2023, may cast their vote by remote e-voting.

4. Mr. Aditya Bhojgaria, Practicing Cost Accountant is appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner and for any Query members may contact him at his mail id cmaadityabhojgaria@yahoo.com.

The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Step 1: Access to NSDL e-Voting system

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

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in dematmode with NSDL.	<p>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2. If you are not registered for IDeAS e-Services, option to register is available at https:// eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https:// www.evoting.nsdl.com/ either on a Personal</p>

	<p>Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your UserID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede”</p> 
<p>Individual Shareholders holding securities in dematmode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest, they can login through their existing userid and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to CDSL Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on login icon & New System Myeasitab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at no.: 022-48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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

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

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

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

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for share held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

- i) After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- ii) Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting.
- iii) Now you are ready for e-Voting as the Voting page opens.
- iv) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- v) Upon confirmation, the message “Vote cast successfully” will be displayed.
- vi) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@technocraftgroup.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@technocraftgroup.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1**

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

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will

not be eligible to vote at the AGM.

3. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cmaadityabhojgaria@yahoo.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in

4. Members who would like to express their views/ask questions during the 42nd AGM with regard to any matter to be placed at the ensuing AGM need to pre-register themselves as speaker by sending a request from their registered email address mentioning their name, DP ID and client ID number/folio number and mobile number, to reach the company Email address at investor@technocraftgroup.com at least 7 days in advance before the start of the meeting. Those members who have pre-registered themselves as a speaker will be allowed to express their view/ask questions during the 42nd AGM, depending upon the availability of time.

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING
Explanatory Statement in respect to the Special Business pursuant to Section
102(1) of the Companies Act, 2013

ITEM NO. 3

Keeping in view the vast experience of Mrs. Vinita Khaitan, the Board in its meeting held on 10th July, 2023, subject to the approval of the members of the Company in the Annual General Meeting has decide to re-appoint her as Managing Director of the Company for a fresh term of five years commencing from 01st August 2023 to 31st July, 2028 on the remuneration and terms and conditions as set out in the Agreement executed on 10th July, 2023 between the Company and Managing Director.

Accordingly this resolution is being proposed and approved by the members of the Company.

None of the Directors, (except Mrs. Vinita Khaitan, Managing Director of the Company), Key Managerial Personnel of the Company or any of their relatives, is concerned or interested in the above proposed resolution.

ANNEXURE - I
DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT (OTHER THAN
INDEPENDENT DIRECTORS)AS SET OUT IN THIS NOTICE

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meeting issued by the Institute of Companies Secretaries of India)

Name of Director	Mrs. Vinita Khaitan
DIN	07168477
Date of Birth	22-07-1973
Nationality	Indian
Relationship with other Directors, Manager and KeyManagerial Personnel of the Company	NIL
Date of Appointment	30 th March, 2015
Expertise in specific functional area	Managerial
Brief Profile	She is having par excellence in the management activities. The Company is and will continue to benefit from her distinctive managerial qualities along with her rich experience.
No. of equity shares held in the Company	41600 Shares
List of other companies inwhich Directorships held	NIL
Chairman/Member of the Committee of the Board in the Company	Member – Audit Committee Chairperson of Board
Chairman/Member of the Committees of the Board of other public Companies in which she is a director	NA
Last drawn Remuneration	Rs. 14,06000/-
Number of Meetings of the Board attended during the year 2022-23	10 out of 10

PALI COMMERCIAL COMPANY LIMITED

Registered Office: 32, Ezra Street, 7th Floor, Room No- 755, Kolkata - 700001;
Email id: pali@khaitanwire.com; Website: <https://www.palicommercial.com/>
CIN: L51909WB1981PLC034414; Phone: +91 6292264776

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of

Meeting Hall) Regd. Folio No. /DP Client ID.....

No. of shares held.....

I/ We hereby record my/ our presence at the 42nd Annual General Meeting of PALI COMMERCIAL COMPANY LIMITED being held on Thursday, 28th September, 2023 at 01.00 p.m. at 32, Ezra Street, 7th Floor, Room No- 755, Kolkata - 700001.

Name of Member /Proxy (In BLOCK LETTERS)

Signature of Member/Proxy

PALI COMMERCIAL COMPANY LIMITED

Registered Office: 32, Ezra Street, 7th Floor, Room No- 755, Kolkata - 700001;
Email id: pali@khaitanwire.com; Website: <https://www.palicommercial.com/>
CIN: L51909WB1981PLC034414; Phone: +91 6292264776

FORM 11 PROXY FORM

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

CIN : L51909WB1981PLC034414
Name of the Company : PALI COMMERCIAL COMPANY LIMITED
Regd Office : 32, Ezra Street, 7th Floor, Room No- 755, Kolkata - 700001
Registered Address :DO.....
Phone No : 6292264776
E-mail : pali@khaitanwire.com

Name of the Member(s)	
Registered Address	
E-Mail ID	
Folio No/ Client ID	
DP ID	

I/We, being the member(s) of shares of Pali Commercial Company Limited, hereby appoint

Name.....
Address.....
E-mail id.....
Signature.....

or filing him as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the AGM of the Company, to be held on Thursday, 28th September, 2023 at 01.00 p.m. at 32, Ezra Street, 7th Floor, Room No- 755, Kolkata - 700001 and at any adjournment thereof in respect of such resolution(s) as are indicated below:

Resolution No.	Resolution	For	Against
Ordinary Business			
1	Ordinary Resolution to receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 st March, 2023 together with the Reports of the Board of Directors and Auditors' thereon.		
Special Business			
3.	Special Resolution to re-appoint Mrs. Vinita Khaitan (07168477) as a Managing Director of the Company		

Signed this.....day of 2023

Signature of the member:

Affix Revenue Stamp

Signature of proxy:

Note- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting.

DIRECTOR'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the 42nd Annual Report together with Audited Statement of Accounts of M/S. PALI COMMERCIAL COMPANY LIMITED for the year ended March 31, 2023.

FINANCIAL PERFORMANCE

(Amount in '000')

Particulars	Standalone		Consolidated	
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
	2022-23	2021-22	2022-23	2021-22
Profit/(Loss) Before Tax	7,692.26	4,532.53	7,691.54	4,530.97
Less: Provision for Tax	1,210.00	710.52	1,210.00	710.51
Add/(Loss): Deferred Tax	(12.46)	(9.77)	(12.46)	(9.77)
Less: Tax Adjustment for Earlier years	6.40	-	6.40	-
Profit/(Loss) After Tax	6,488.32	3,831.78	6,487.60	3,830.23
Add: Balance in Profit & Loss Account	16,384.72	13,319.30	16,368.64	13,304.46
Less: Appropriation				
Transfer to Other Reserve as per RBI Act, 1934	1,297.66	766.36	1297.52	766.05
Closing Balance	21,575.38	16,384.72	21,558.72	16,365.64

RESULTS OF OPERATION AND THE STATE OF COMPANY'S AFFAIRS

The highlights of Company's performance are as under:

- The Company has earned a profit of Rs. 64,88,320/- during the current year (Previous Year Profit Rs. 38,31,780/-)
- The Company has not made any 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.

TRANSFER TO RESERVE

During the financial year, the Company has transferred Rs. 12,97,660/- to special reserve account as per the requirements of Reserve Bank of India. Further your Company has not proposed any transfer to its Reserves.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year 2022-23.

DIVIDEND

The Directors do not recommend any dividend during the year.

EXTRACT OF 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 for Financial Year 2022-23 shall be hosted on its website and can be accessed at www.palicommercial.com post 42nd Annual General Meeting.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed elsewhere in the Report, no material changes and commitments which could affect the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

SUBSIDIARY COMPANY/JOINT VENTURES/ASSOCIATE COMPANIES

As on 31st March, 2023, 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, 2023, 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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Clause (c) of Sub- section (3) of Section 134 of the Companies Act 2013, to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement that:

(i) in the preparation of the annual accounts for the year ended March 31, 2023, applicable accounting standards have been followed and that there are no material departures;

(ii) they have, in the selection of the accounting policies, consulted the statutory auditors and have 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 for the year ended March 31, 2023 and of the profit of the Company for the year ended on that date;

(iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act. 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis;

(v) internal financial controls followed by the Company are adequate and were operating effectively; and

(vi) the proper systems to ensure compliance with the provisions of all applicable laws were adequate and operating effectively

DIRECTORS AND KEY MANAGERIAL PERSONNEL AND CHANGES AMONG THEM

a) Retirement by rotation

In accordance with the Articles of Association of the Company and Section 152 of the Act, Mrs. Vinita Khaitan (DIN: 07168477) shall retire by rotation at the ensuing 42nd Annual General Meeting of the Company and being eligible has offered herself for re-appointment. The Board recommends her re-appointment. A brief resume of the Director being reappointed as required under Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings forms a part of the Notice convening the ensuing 42nd Annual General Meeting.

b) Changes in Directors and Key Managerial Personnel

Name of the Director / KMP	Designation	Appointment / Cessation	Date of appointment /Resignation
SHIVANGI AGARWAL	Company Secretary	Cessation by Resignation	09.04.2022
RAKHI KUMARI AGARWAL	Company Secretary	Appointment	08.08.2022
ASWANI NANGALIA	Director & CFO	Cessation by Resignation	31.10.2022
NIKUNJ KHAITAN	Director & CFO	Appointment	01.12.2022

As on the date of this report, the following are the designated Key Managerial Personnel of the Company:

1. Mrs. Vinita Khaitan – Managing Director
2. Mr. Nikunj Khaitan – Chief Financial Officer
3. Ms. Rakhi Kumari Agarwal– Company Secretary & Compliance Officer

NUMBER OF MEETING OF THE BOARD OF DIRECTORS

During the Financial Year 2022-23, the Directors met ten times on April 9, 2022, May 30, 2022, June 30, 2022, August 8, 2022, August 12, 2022, September 02, 2022, November 14, 2022, December 01, 2022, February 06, 2023 and March 31, 2023.

PUBLIC DEPOSIT

Being a Non-Banking Financial Company, the disclosures required as per Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of the Act are not applicable to your Company. However, the Company has not accepted any deposits during the year under review.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the company.

VIGIL MECHANISM

Pursuant to the provisions of the Act and the SEBI Listing Regulations, your Company has formulated a Vigilance Mechanism/Whistle Blower Policy to provide a mechanism for Directors and Employees of the Company to report genuine concerns. The Whistle Blowers may approach the Vigilance Officer and the Vigilance Officer places the report / status of complaints received and resolved, if any to the members of Audit Committee. Further the aggrieved person can have direct access to the Chairman of Audit Committee. The Whistle Blower Policy also provides for adequate safeguards against victimization of persons who use such mechanism.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Pursuant to Section 186(11) of the Companies Act, 2013 loans made, guarantees given, securities provided or acquisition of securities by a Non-Banking Financial Company registered with Reserve Bank of India, in the ordinary course of its business are exempted and thereafter no such disclosure is required to be given in the Annual Report.

RISK MANAGEMENT POLICY

During the year, the Directors have developed and implemented a Risk Management Policy for the Company for the purpose of identification of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company. During the year under review, no major risks were noticed, which may threaten the existence of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions were entered by the Company during the financial year 2022-23 is in the ordinary course of business and on arm's length basis, were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions formulated by the Company.

INTERNAL FINANCIAL CONTROL

Pursuant to Section 134 (5) (e) and the other applicable provisions of the Companies Act 2013, your company has laid down standards and processes which enable Internal Financial Control across the Company and ensure that the same are adequate and are operating effectively.

During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the financial year 2022-23, there were no significant or material orders passed by any regulatory body or court or tribunal impacting the going concern status and the Company's operations in future.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure - 1**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act, read with rule 8 of the Companies (Accounts) Rules, 2014 are given in **Annexure - 2** and forms part of this report.

STATUTORY AUDITORS & AUDIT REPORT

M/s. Agarwal Gupta Nokari Associates, Chartered Accountants, statutory auditors of the Company having registration number FRN No. 310041E shall continue to hold office until the conclusion of the 46th Annual General Meeting for 2026-27.

AUDITOR'S REPORT

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

There was no instance of fraud reported by the auditor in their report under Section 143 (12) of the Companies Act, 2013.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Company has appointed Ms. Shruti Agarwal, Practicing Company Secretary to conduct the Secretarial Audit for the Financial Year 2022-23. The Secretarial Audit Report for the Financial Year ended March 31, 2023 is annexed herewith marked as **Annexure 3** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS FROM COMPANY SECRETARY IN PRACTICE

A certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, has been received from Ms. Shruti Agarwal (M. No. 38797, CP No. 14602), Company Secretary in Practice and the same is annexed to this report as **Annexure - 4**.

PREVENTION OF SEXUAL HARASSMENT MECHANISM

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace and an Internal Complaints Committees has also been set up to redress any such complaints received.

During the year under review, the Company has not received any complaint from the employees related to sexual harassment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of Listing Regulations is presented in separate section and is annexed to this report as **Annexure - 5**.

CORPORATE GOVERNANCE

The disclosures as per Regulation 27(2) of SEBI (Listing Obligations and Disclosures Requirement) Regulation 2015, for Corporate Governance and the report thereon are not required by our Company. Therefore no separate disclosures and report is annexed to this report.

HUMAN RESOURCES

Your Company believes in best HR practices by providing its employees a world class working environment, giving them equal opportunities to rise and grow. We continue to implement the best of HR policies so as to ensure that talent retention is ensured at all levels. Employee relations continued to be cordial and harmonious at all levels and in all divisions of the Company during the year.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

Your Company has complied with all the applicable laws. The Company has been complying with relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 the Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

RBI GUIDELINES

Your Company is complying with all the requirements of Reserve Bank of India for Non- Banking Finance Company. In terms of paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, the particulars as applicable to the Company are appended to the Financial Statements.

STATEMENT ON COMPLIANCES OF THE APPLICABLE SECRETARIAL STANDARDS

The Directors of your Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

COST AUDIT

Cost Audit is not applicable to your Company as per the provisions of Section 148 of the Act.

ACKNOWLEDGEMENT

Your Directors wish to acknowledge all their stakeholders and are grateful for the excellent support received from the shareholders, Bankers, Financial Institutions, Government authorities, esteemed corporate clients, customers and other business associates. Your Directors recognize and appreciate the hard work and efforts put in by all the executives, employees, staffs and co-workers of the Company and their contribution to the growth of the Company in a very challenging environment.

For and on behalf of the Board

Date: 23rd August, 2023

Place: Kolkata

**s/d
Vinita Khaitan
Managing Director
DIN: 07168477**

**s/d
Nikunj Khaitan
Director & CFO
DIN: 09808066**

Annexure 1

A. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR 2022-23.

- 1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:

Sl. No.	Name of the directors/KMPs and designation	Remuneration of directors/KMPs for the financial year 2022-23	% increase in Remuneration in the financial year 2022-23	Ratio of Remuneration of each directors to the median remuneration of the employees
1	Vinita Khaitan Managing Director	14,06,000	-	1.58
2	Rakhi Kumari Agarwal* Company Secretary	2,13,621	-	N.A.
3	Aswani Nangali** Chief Compliance Officer	-	-	N.A.
4	Nikunj Khaitan Chief Compliance Officer			

* Ms. Shivangi Agarwal resigned as Company Secretary w.e.f. 9th April, 2022 and Ms. Rakhi Kumari Agarwal appointed as Company Secretary w.e.f. 08th August, 2022

** Mr. Aswani Nangalia resigned on 30th October 2022 and Mr. Nikunj Khaitan Appointed as Chief Financial Officer w.e.f. 01st December, 2022

- 2) There was two permanent employees' i.e Managing Director and Company Secretary on the rolls of company as on 31st March, 2023. Apart from this, there are no employees on the pay roll of the Company.
- 3) In the financial year 2022-23, there was no change in the median remuneration of the employees (including whole-time director, company secretary and chief financial officer)
- 4) Average percentage increase already made in the salaries of employees other than Managerial Personnel in the financial year 2022-23 and its comparison with the percentage increase in the managerial remuneration and justification thereof and the detail of exceptional circumstances for increase in the managerial remuneration: Not applicable since there are no employees other than managerial personnel.
- 5) The explanation on the relationship between average increase in remuneration and company performance: the increase in remuneration of employees is in line with remuneration policy of the Company where employees are given increment as per their performance.
- 6) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The remuneration of the Key Managerial Personnel(s) are in line with the Remuneration Policy of the Company where their remuneration is determined based on their performance which is correlated to the performance of the Company. Further, remuneration of the KMP's is as per industry standard.
- 7) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. Further there is no variable component in the remuneration availed by the Directors.
- 8) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not

Applicable; and

- 9) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note: Remuneration is calculated on the basis of actual payout during the year.

B. STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR 2022-23

During the year under review, there were no employees who were in receipt of remuneration aggregating to Rs. 1,02,00,000 (Rupees One Crore and Two Lakh) or more for the year or Rs. 8,50,000 (Rupees Eight Lakh and Fifty Thousand) or more per month for the part of the year.

Further, there was no employee, neither throughout the financial year 2022-23 or part thereof, who received remuneration in excess of that drawn by the Managing director of the Company.

Further the names of Top Ten Employees* of the Company in terms of remuneration drawn as on the financial year ended March 31st, 2023 is tabled hereunder:

Ranking	1	2
Name	Vinita Khaitan	Rakhi Kumari Agarwal
Designation	Managing Director	Company Secretary & Compliance Officer
Age	46	26
Remuneration received	Rs. 14,06,000/-	Rs. 2,13,621/-
Nature of employment	Permanent and Whole time	Permanent and Whole time
Qualifications and experience	Graduate; 10 years	B.com, CS; 1 years
Date of commencement of employment	30.03.2015	08.08.2022
Previous employment	NA	-
Percentage of equity shares held in the company	Nil	Nil
Relationship with any director or manager	No relationship	No relationship

*(There are only two employees in the payroll of the Company)

DISCLOSURE OF PARTICULARS UNDER SECTION 134 (3)(M) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A CONSERVATION OF ENERGY		
a)	Steps taken or impacts on conservation of energy	N.A.
b)	Steps taken by the company for utilizing alternate sources of energy	N.A.
c)	Capital investment on energy conservation equipments	N.A.

B TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION		
1.	Efforts made towards technology absorption,	Nil
2.	Benefits derived like product improvement, cost reduction product development or import substitution.	Nil
3.	In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
i)	Technology imported	N.A.
ii)	Year of import	N.A.
iii)	Has technology been fully absorbed?	N.A.
iv)	If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action	N.A.
4	Expenditures incurred on Research & Development	N.A.

C. FOREIGN EXCHANGE EARNING AND OUTGO		
1	Foreign Exchange earned in terms of actual inflows during the year	Nil
2	Foreign Exchange outgo during the year in terms of actual outflows	Nil



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

Form No. MR-3

**SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023**

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

To
 The Members
Pali Commercial Company Limited
 32, Ezra Street, 7th Floor, Room No- 755,
 Kolkata 700001

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by M/s. Pali Commercial Company Limited (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 31st March 2023 ('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 31st March, 2023 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 (Not applicable to the Company

during the Audit Period]
 Office : Marshall House, 2nd Floor, Room No. 240, 33/1 N.S. Road Pincode: 700001



- 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).**
- vi) Other laws applicable to the Company from time to time.

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 Metropolitan Stock Exchange of India

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, 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, rules, regulations and guidelines.

I further report that during the audit period the company has given details of specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Kolkata
Date: 24.08.2023



Shruti Agarwal
Practicing Company Secretary
C.P. No- 14602
Mem. No-38797
UDIN- A038797E000857483



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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Pali Commercial Company Limited
32, Ezra Street, 7th Floor, Room No- 755,
Kolkata 700001

This is to certify that on verification of declarations made by the Directors and records maintained by Pali Commercial Company Limited ("the Company"), none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities Exchange Board of India (SEBI) /Ministry of Corporate Affairs or any such Statutory Authority, as per the requirements of point 10 (i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Place: Kolkata
Date: 24.08.2023



Shruti Agarwal
Practicing Company Secretary
C.P. No-14602
Mem. No-38797

UDIN: A038797E000860420

P R NO. - 3206/2023

MANAGEMENT DISCUSSION AND ANALYSIS

Our company **PALI COMMERCIAL COMPANY LIMITED** was incorporated on 29th day of December 1981. It is a Non Deposit taking Non-Banking Financial Company registered with Reserve Bank of India primarily into extending financial help to companies that are engaged in various activities, the Company strives to excel in its field of business.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The NBFC sector continued to grow its share in the financial services industry. The financial services industry plays an important role in ensuring the efficiency of capital allocation and driving high-return investments. In addition, the industry plays an important role in enabling more people to have access to capital.

The RBI continued to maintain an accommodative stance throughout the year, aiding the recovery process. The growth projections face downsides risks emanating from the increased duration of the war as well as growing inflation. The financial services sector is expected to rapidly grow this decade driven by rising incomes and heightened government focus on financial inclusion and digital adoption – India's digital payments could pass \$1 trillion by 2030.

Economic Survey 2022-2023 flags the consistent rise of NBFCs' credit as a proportion to GDP as well as in relation to credit extended by SCBs. Supported by various policy initiatives, NBFCs could absorb the shocks of the pandemic. They built up financial soundness during FY22, marked by balance sheet consolidation, improvement in asset quality, augmented capital buffers and profitability.

The continuous improvement in asset quality is seen in the declining GNPA ratio of NBFCs from the peak of 7.2 per cent recorded during the second wave of the pandemic (June 2021) to 5.9 per cent in September 2022, reaching close to the pre-pandemic level.

Credit extended by NBFCs is picking up momentum, with the aggregate outstanding amount at ₹31.5 lakh crore as of September 2022. NBFCs continued to deploy the largest quantum of credit from their balance sheets to the industrial sector, followed by retail, services, and agriculture.

OPPORTUNITIES AND THREATS

Non-banking finance companies (NBFCs) form an integral part of the Indian financial ecosystem. By extending the line of secured and unsecured credit to millions of underbanked and unbanked individuals and businesses across the country, these companies provide them an opportunity to be a part of the financial mainstream. New-to-credit segment presents a massive opportunity for NBFCs to expand their market base. This market is largely untapped or underpenetrated in villages and tier 2 & 3 towns across the country. The segment also sees comparatively less competition due to probable risk. Potential customers in this segment, if educated and nurtured correctly, can become long term business proposition for NBFCs.

Despite concerns surrounding the sector, we believe such NBFCs with robust business models, strong liquidity mechanism, governance and risk management standards are well positioned to take advantage of the market opportunity.

With multiple schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Mudra Yojana, among others, the Government of India has laid greater emphasis on furthering financial inclusion Increasing consumerism boosting retail lending – The COVID- 19 crisis is expected to alter the dynamics of India's retail credit market, bringing a new beginning to the economy's retail lending NBFCs can serve the niche segments in partnerships with fintechs. This will lead to increased synergies between NBFCs and fintechs NBFC-fintech collaboration coupled with digitisation efforts and regulatory norms for data security will help address the credit gap MSME is a sector with huge potential for growth with limited access to funds from traditional banks and Financial Institutions.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The company is a Non-Banking Finance Company; its core business is financial business. Hence, there are no separate segments for reporting as per Accounting Standard-17 issued by the Institute of Chartered Accountants of India.

OUTLOOK

While NBFCs have seen decadal low growth in fiscals 2020 and 2021, they are expected to ride on the tailwinds of improved macroeconomic fundamentals and strengthened balance sheets, and expand 13-14% in fiscal 2024. The

AUM of the NBFC sector has grown from less than Rs 2 lakh crore at the turn of the century to ~Rs 27 lakh crore now. From 12% in March 2008, the sector accounted for 16% of the overall financial sector credit ecosystem in March 2022.

BUSINESS & OPERATIONAL OVERVIEW

The company, in current fiscal has made profits of Rs. 64.88 lakhs as against profit of Rs. 38.31 lakhs for the previous year.

During the year under review, the financial performance of your Company was as follows:

Particulars	(Amount in '000')	
	2022-23	2021-22
Total Revenue	11,648.75	9,003.06
Profit/Loss Before Tax	7,692.26	4,532.53
Profit After Tax	6,488.32	3,831.78
EPS	6.55	3.87

SIGNIFICANT CHANGES IN KEY FINANCIAL AND ANALYTICAL RATIOS

The changes in the key financial & Analytical ratios are mentioned herein below:

Particulars	2022-23	2021-22	Reason for significant changes
Gearing Ratio	12.65	18.73	NA
Capital to risk weighted assets ratio (CRAR)	104.01%	110.24%	NA
Tier I CRAR	104.01%	110.24%	NA
Tier II CRAR	-	-	
Liquidity Coverage Ratio (LCR)	138.68%	193.87%	Due to increase in Current Liabilities of the Company

RISK MANAGEMENT

Company has formulated a risk management framework which lays the procedure for risk assessment and mitigation. Company manages various risks like financial risk, operational risk, marketing risk, external risk and regulatory risks associated with the mortgage business. The critical risks which can significantly impact profitability and financial strength are credit risk, interest rate risk and liquidity risk.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your company has proper and adequate system of internal control in place to monitor persistently proper recording of the transactions as per the policies and procedures laid down by the company. The company ensures that the regulatory guidelines are duly complied with at all the levels. The internal audit reports are regularly monitored by the Audit Committee.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS For enhanced performance of any organization, it is important that its human resources are abreast of new developments and possess relevant skill sets. To realize this, the emphasis on training and development activities has been increased. Executives were nominated for various program and seminars at local and national levels by premier institutes. During these uncertain times facility of work from home has been adopted by the Company for the welfare and wellbeing of its employees.

CAUTIONARY STATEMENT

The statements in above analysis, describing the company's projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable security laws and regulations. The actual results may differ from those expressed or implied. The important factors that may impact the operations of the company may consist of economic developments - globally and locally, government regulations, tax regimes and other related factors

Date: 23rd August, 2023

Place: Kolkata

For and on behalf of the Board

S/d
Vinita Khaitan
Managing Director
DIN: 07168477

PALI COMMERCIAL COMPANY LIMITED
32, EZRA STREET,
KOLKATA - 700 001

Audited
Balance Sheet
&
Statement of Profit & Loss
For the year ended on 31st March, 2023

AUDITORS
AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES
Chartered Accountants

12 Waterloo Street, 3rd Floor
Kolkata - 700 069

Tel.: (033) 4004 8575



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 2023, 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, 2023, 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, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 the 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.
- (v) The Company has not declared any dividend and accordingly compliance of section 123 of the Act is not applicable.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

UDIN :23017387BGZDNV7034
Place : Kolkata
Dated : 30th Day of May 2023



AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES
Chartered Accountants.
FRN: 310041E

Bhal Chandra Khaitan
(Partner)

Membership No. :017387

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, 2023, 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 has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment:
(B) The Company did not have any intangible assets at any time during the Year.
- (b) The property, plant and equipment have been physically verified by the management during the year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (d) The Company has not revalued any Property, Plant and Equipment (including Right of Use Assets) during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

- (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, 2023, except the followings :

Financial year to which demand raised/Refund relates	Name of other Tax Laws	Nature of Dues	Amount (Rs.)	Forum where Dispute is Pending
2010-11	Income tax Act	Income Tax	408,490	Commissioner(Appeal)

- (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 sect ion 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) On the basis of our examination of the records of the Company and according to the information and explanations given to us, Section 135 of the Companies Act 2013 is not applicable to the Company. So the Clause xi(a) and xx(b) of this order is not 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 (CARD) reports of the Companies included in the consolidated financial statement.

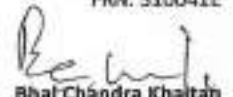
UDIN :230173878GZDNV7034
Place : Kolkata
Dated :30th Day of May 2023



AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.

FRN: 310041E


Bhal Chandra Khaitan
(Partner)

Membership No. :017387

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, 2023 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.



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 2023, 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:23017387BGZDINV7034
Place : Kolkata
Dated : 30th Day of May 2023



AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.

FRN: 310041E

Bhal Chandra Khaitan

(Partner)

Membership No. :017387



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, 2023 is as follows:

% of Financial Assets to Total Assets:	72.48%
% of Financial Income to Total Income:	67.43%

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, 2023.
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, 2022 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, 2023, 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 AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.
FRN: 310041E


Bhal Chandra Khaitan
(Partner)

Membership No. :017387
UDIN :23017387BGZDNU7034
12 Waterloo Street, 3rd Floor Kolkata - 700069
Date : 30th day of May 2023



PALI COMMERCIAL COMPANY LIMITED

CIN :L51909WB1981PLC034414

Balance Sheet as at 31st March, 2023

(Amount in Thousand.)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
1 Financial Assets	2	774.91	643.83
(a) Cash and cash equivalents	3	408.89	387.05
(b) Bank Balance other than (a) above	4	15,000.00	-
(c) Loans & advances	5	20,837.08	60,500.37
(d) Investments			
2 Non-financial Assets	6	-	85.45
(a) Inventories	7	1,828.18	1,763.09
(b) Current tax assets	8	106.58	94.11
(c) Deferred tax assets	9	309.00	14.37
(d) Other non financial assets	10	11,816.02	-
(e) Property, plant & equipments			
TOTAL ASSETS		51,080.66	63,488.28
EQUITY AND LIABILITIES			
LIABILITIES			
1 Financial Liabilities	11	5,484.92	9,702.25
(a) Borrowings			
2 Non-financial Liabilities	12	1,270.00	1,296.21
(a) Current tax liability	13	409.33	361.33
(b) Provisions	14	558.79	332.10
(c) Other non financial liability			
TOTAL LIABILITIES		7,723.04	11,691.89
EQUITY			
(a) Equity share capital	15	9,900.00	9,900.00
(b) Other equity	16	33,457.62	41,896.39
TOTAL EQUITY		43,357.62	51,796.39
TOTAL LIABILITIES & EQUITY		51,080.66	63,488.28

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1 to 37

As per our report of even date

For and on Behalf of Board

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.
FRN: 310941E

Bhal Chandra Khaitan
(Partner)

Membership No. :017387
UDIN :23017387BGZDNN7034
12 Waterloo Street, 3rd Floor Kolkata - 700069
Date : 30th day of May 2023



Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Nikunj Khaitan
NIKUNJ KHAITAN
(DIN 09808066)

Rakhi Agarwal
RAKHI KUMARI AGARWAL
(Company Secretary)

PALI COMMERCIAL COMPANY LIMITED
CIN :L51909WB1981PLC034414
Statement of Profit and loss for the year ended 31.03.2023

(Amount in Thousand.)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
INCOME :			
Revenue from operation			
Interest Income	17	138.77	362.03
Dividend Income		508.39	1,327.75
Net gain on sale of Investments		7,207.11	3,518.28
Total Revenue from operations		7,854.27	5,208.06
Other income	18	3,794.48	3,795.00
Total Income		11,648.75	9,003.06
EXPENSES :			
Finance cost	19	759.77	1,000.76
Change in inventory	20	85.45	-
Employee benefits expense	21	2,293.19	2,782.78
Other expenses	22	818.08	686.99
Total Expenses		3,956.49	4,470.53
Profit before exceptional items and tax		7,692.26	4,532.53
Exceptional items		-	-
Profit before and tax		7,692.26	4,532.53
Tax expenses:	23		
(1) Current tax		1,210.00	710.52
(2) Income tax adjustment		6.40	-
(3) Deferred tax adjustment		(12.46)	(9.77)
Profit for the year		6,488.32	3,831.78
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		(14,927.09)	6,883.22
Tax Effect on above		-	-
Other Comprehensive Income for the year, net of tax		(14,927.09)	6,883.22
Total comprehensive income for the year		(8,438.77)	10,715.00
Earnings per equity share:			
(1) Basic	24	6.55	3.87
(2) Diluted		6.55	3.87

**SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON FINANCIAL STATEMENTS**

1 to 37

As per our report of even date attached.

For and on Behalf of Board

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.

FRN: 310041E

Bhal Chandra Khaitan
(Partner)

Membership No. :017387

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12 Waterloo Street, 3rd Floor Kolkata - 700069

Date : 30th day of May 2023



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Rakhi Agarwal
RAKHI KUMARI AGARWAL
(Company Secretary)

PALI COMMERCIAL COMPANY LIMITED
CIN :L51909WB1981PLC034414
Statement of changes in equity for the year ended 31.03.2023

Amount in Thousand

Equity share capital
(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in 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 2022-23	Balance at the end of the current reporting period
9,900.00	-	9,900.00	-	9,900.00

(2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in 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 2021-22	Balance at the end of the previous reporting period
9,900.00	-	9,900.00	-	9,900.00

B. Other Equity

	Reserve & Surplus			Equity Instrument though Other Comprehensive Income	Total
	General Reserve	Other reserve(RBI)	Retained Earnings		
Balance as on 1st April 2021	33.00	3,771.83	13,319.30	14,057.26	31,181.39
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	33.00	3,771.83	13,319.30	14,057.26	31,181.39
Total comprehensive Income for the Year	-	-	3,831.78	6,883.22	10,715.00
Transfer to RBI reserve	-	766.36	(766.36)	-	-
	33.00	4,538.19	16,384.72	20,940.48	41,896.39
Balance as on 31st March 2022	33.00	4,538.19	16,384.72	20,940.48	41,896.39
Balance as on 1st April 2022	-	-	-	-	-
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	33.00	4,538.19	16,384.72	20,940.48	41,896.39
Total comprehensive Income for the Year	-	-	6,488.32	(14,927.09)	(8,438.77)
Transfer to RBI reserve	-	1,297.66	(1,297.66)	-	-
Balance as on 31st March 2023	33.00	5,835.85	21,575.38	6,013.39	33,457.62

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1 to 37

As per our report of even date attached.

For and on Behalf of Board

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES
 Chartered Accountants.
 FRN: 310041E

Bhal Chandra Khaitan
 (Partner)

Membership No. :017387
 UDIN :23017387BGZDNV7034
 12 Waterloo Street, 3rd Floor Kolkata - 700069
 Date : 30th day of May 2023



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Nikunj Khaitan
 NIKUNJ KHAITAN
 (DIN 09808066)

Rakhi Agarwal
 RAKHI KUMAR AGARWAL
 (Company Secretary)

PALI COMMERCIAL COMPANY LIMITED
CIN :L51909WB1981PLC034414
Statement of changes in equity for the year ended 31.03.2023
 Amount In Thousand

A. Equity share capital
 (1) Current reporting period

Balance at the beginning of the current reporting period	Changes in 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 2022-23	Balance at the end of the current reporting period
9,900.00	-	9,900.00	-	9,900.00

(2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in 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 2021-22	Balance at the end of the previous reporting period
9,900.00	-	9,900.00	-	9,900.00

B. Other Equity

	Reserve & Surplus			Equity Instrument though Other Comprehensive Income	Total
	General Reserve	Other reserve(RBI)	Retained Earnings		
Balance as on 1st April 2021	33.00	3,771.83	13,319.30	14,057.26	31,181.39
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	33.00	3,771.83	13,319.30	14,057.26	31,181.39
Total comprehensive Income for the Year	-	-	3,831.78	6,883.22	10,715.00
Transfer to RBI reserve	-	766.36	(766.36)	-	-
Balance as on 31st March 2022	33.00	4,538.19	16,384.72	20,940.48	41,896.39
Balance as on 1st April 2022	33.00	4,538.19	16,384.72	20,940.48	41,896.39
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	33.00	4,538.19	16,384.72	20,940.48	41,896.39
Total comprehensive Income for the Year	-	-	6,488.32	(14,927.09)	(8,438.77)
Transfer to RBI reserve	-	1,297.66	(1,297.66)	-	-
Balance as on 31st March 2023	33.00	5,835.85	21,575.38	6,013.39	33,457.62

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1 to 37

As per our report of even date attached.

For and on Behalf of Board

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES
 Chartered Accountants.
 FRN: 310041E

Bhal Chandra Khaitan
 (Partner)

Membership No. :017387
 UDIN :23017387BG2DNV7034
 12 Waterloo Street, 3rd Floor Kolkata - 700069
 Date : 30th day of May 2023



Vinita Khaitan
 VINITA KHAITAN
 (DIN 07168477)

Nikhil Khaitan
 NIKHIL KHAITAN
 (DIN 09808066)

Rakhi Agarwal
 RAKHI KUMAR AGARWAL
 (Company Secretary)

PALI COMMERCIAL COMPANY LIMITED
CIN :LS1909WB1981PLC034414
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2023

Amount In Thousand

PARTICULARS	As at 31st March, 2023		As at 31st March, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		7,692.26		4,532.53
ADJUSTMENT FOR				
Provision for gratuity	48.00		37.67	
(Profit)/ Loss on sale of Investment	(7,207.11)		(3,518.28)	
Dividend Received	(508.39)		(1,327.75)	
Interest on IT refund	(13.54)	(7,681.04)	(5.40)	(4,813.76)
		11.22		(261.23)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
ADJUSTED FOR:				
Change in Inventory	85.45		-	
Loans & Advances	(15,000.00)		(1.37)	
Other Current Assets	(204.63)			
Other current liabilities	226.69	(14,982.49)	(427.37)	(428.74)
CASH GENERATED FROM OPERATIONS		(14,971.27)		(709.97)
NET CASH FROM OPERATING ACTIVITIES BEFORE TAXES PAID		(14,971.27)		(709.97)
Taxes Paid During The Year	1,648.99		1,471.26	
Income tax refund	(354.83)	1,294.16	(88.40)	1,382.86
NET CASH FROM OPERATING ACTIVITIES (A)		(14,265.43)		(2,092.88)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition on Non-current investment	(12,389.39)		(24,211.24)	
Acquisition on PPE	(11,816.03)			
Sale of Non-current Investment	44,332.70		19,027.21	
Dividend received	508.39	20,635.67	1,377.75	(3,856.27)
NET CASH USED IN INVESTING ACTIVITIES (B)		20,635.67		(3,856.27)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of loans				
Proceeds from Short Term Borrowings	-4,217.33	(4,217.33)	6,049.44	6,049.44
NET CASH USED IN FINANCING ACTIVITIES (C)		(4,217.33)		6,049.44
D. NET (DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)		152.92		100.34
NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AS AT 1-04-2022(01-04-2021)		1,030.89		930.54
LESS: CASH AND CASH EQUIVALENTS AS AT 31-03-2023 (31-03-2022)		1,183.80		1,030.89
		152.92		100.34

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 AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES
Chartered Accountants.
FRN: 310041E

Bhal Chandpa Khaitan
(Partner)
Membership No. :017387
UDIN :23017387BG2DNV7034
12 Waterloo Street, 3rd Floor Kolkata - 700069
Date : 30th day of May 2023



For and on Behalf of Board

Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Nikunj Khaitan
NIKUNJ KHAITAN
(DIN 09808066)

Rakhi Agarwal
RAKHI KUMARI AGARWAL
(Company Secretary)

PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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, 2023

- (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, 2023

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, 2023

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, 2023

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, 2023

- 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, 2023

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, 2023

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, 2023

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.

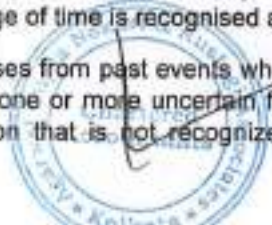
K. Provisions and Contingent Liabilities

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, 2023

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, 2023

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
CIN :L51909WB1981PLC034414
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 2

<u>Cash and Cash Equivalents</u>	Amount In Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
a. Cash on hand	99.01	96.85
b. Balances with scheduled banks in current accounts	675.90	546.99
Total	774.91	643.83

NOTE 3

<u>Other Bank Balances</u>	Amount In Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
Fixed Deposits with maturity period of more than 12 month.	408.89	387.05
Total	408.89	387.05

NOTE 4

<u>Loans & Advances</u>	Amount In Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
Advance against construction of property	15,000.00	-
Total	15,000.00	-

NOTE 5

<u>Investments</u>	Amount In Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
<u>Measured at fair value through other comprehensive income</u>		
<u>In Equity Shares, Quoted Shares</u>		
As per annexure 5.1	19,167.08	58,830.37
<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	220.00	220.00
<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	1,450.00	1,450.00
Total	20,837.08	60,500.37
Aggregate amount of Unquoted Investments	1,670.00	1,670.00
Aggregate amount of Quoted Investments	19,167.08	58,830.37
Market Value of Quoted Investments	19,167.08	58,830.37
Investments held in India	20,837.08	60,500.37
Investments outside India	-	-

PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 5.1

Non-Current Investments	Face Value	No of Shares	Amount In Thousand		
			As at 31st March,2023	No of Shares	As at 31st March,2022
Measured at fair value through other comprehensive income					
Quoted equity shares					
Aarti Industries Limited	5	-	-	1,000	13.07
Aarti Drugs Limited	10	397	180.00	397	315.71
Aarti Surfactants Ltd	10	49	-	49	-
AGI Greenpac Limited	10	1,565	228.85	-	-
Akzo Nobel India Ltd	10	-	-	250	552.22
Andhra Sugar Ltd	2	-	-	5,000	578.20
Avadh Sugar & industries Ltd	10	1,000	617.71	1,000	617.71
Asahi Songwon Colors Limited	10	916	116.54	1,000	126.21
Axis Bank Ltd	2	250	81.54	250	81.54
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	451	142.53	1,000	521.96
Bharti Airtel Ltd	5	-	-	1,000	564.09
BPL Engineering Limited.	10	1,500	6.69	1,500	6.69
Canfin Homes Finance Limited	2	-	-	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
Carborundum Universal Limited	1	400	42.65	400	42.65
Care Ratings Ltd	10	-	-	450	188.07
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	3,000	550.85
FDC Ltd	1	-	-	500	114.81
Godfry Philips Ltd	2	-	-	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
Gujarat Flourochem Ltd	1	-	-	500	209.90
Gujarat Alkalies Ltd	2	-	-	800	540.88
GRASIM Limited	2	-	-	800	825.09
HPCL	10	-	-	2,250	-
HDFC Bank Limited.	2	-	-	500	230.93
HDFC Life Insurance Ltd	1	-	-	1,000	435.87
HEG Ltd	5	400	411.70	-	-
Hind Copper Ltd	5	3,000	317.64	3,000	430.42
Hinduja Global solutions Limited	10	-	-	550	850.51
Hindalco Ltd	1	-	-	1,000	499.90
HSIL	2	-	-	1,700	248.59
Infosys Limited	5	50	23.13	50	23.13
Indian Oil Corporation Limited	10	-	-	10,012	1,479.24
INE Styrolution ABS (India) Limited	10	500	397.53	800	776.14
ICICI Bank Limited	2	1,300	315.92	1,300	315.92
ICICI Securities Ltd	-	-	-	450	187.56



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 5.1

Amount in Thousand

Non-Current investments	Face Value	No of Shares	As at 31st March,2023	No of Shares	As at 31st March,2022
Measured at fair value through other comprehensive income					
Quoted equity shares					
ICIL LTD	2	3,000	383.41	2,000	538.71
IRCTC LTD	2	500	321.39	500	573.47
IG Petrochemicals Ltd	10	1,000	514.79	1,300	801.73
IPCA Laboratories Ltd	2	-	-	180	100.16
JSW Energy Ltd	10	-	-	1,000	253.11
Jubilant Ingrevia LTD	1	1,500	792.24	1,000	746.43
IPCA Laboratories	5	180	100.16	-	-
ITC Limited	1	300	24.36	3,300	735.99
Kansal 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	50	171.04	75	323.97
Maharashtra Seamless Ltf		2,000	649.82	-	-
Maars Software International Limited	10	54,545	104.15	54,545	104.15
MSTC LTD	10	2,000	618.98	2,000	862.80
Mangalam Cement Ltd	10	-	-	500	186.03
Matrimoney Ltd	5	500	454.75	500	505.83
Procter & Gamble Health Ltd (Merck Limited)	10	263	195.99	305	227.29
Munjal Auto Industries Limited	2	-	-	8,000	31.60
Mannapuram Finance Limited	2	-	-	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
National Aluminium Ltd	5	-	-	3,000	141.97
NMDC Limited,	1	-	-	1,500	133.86
Nitin Spinner 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	1,500	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
Phillips Carbon Black Ltd	2	-	-	4,000	703.53
Pfizer Ltd	10	100	445.88	100	519.39
Poonawala Fincorp Ltd	2	-	-	1,500	437.78
PIDILITE Limited	1	140	125.47	140	125.47
Ram Ratna Wires Limited	5	400	2.77	200	2.77
Reliance Industries Limited	10	-	-	600	250.11
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	1,250	415.74	125	576.77
Sail	10	-	-	3,300	297.07
SBI	1	1,000	195.96	2,000	729.34
South Indian Bank		25,000	512.78	-	-
Tata Chemicals Ltd	10	-	-	600	525.07
Tata Motors Limited	2	2,150	279.12	2,150	279.13
TATA Communication	10	400	536.45	-	-
TCS	1	196	352.87	196	352.87



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 5.1

Amount in Thousand

Non-Current Investments	Face Value	No of Shares	As at 31st March,2023	No of Shares	As at 31st March,2022
Measured at fair value through other comprehensive income					
Quoted equity shares					
Tata Consumer Products Ltd	1	700	214.82	1,110	477.65
TISCO	10	4,000	469.56	900	904.98
Tirumalai Chemical Ltd	1	1,500	414.70	2,100	188.14
Torrent Power Limited	10	600	102.96	600	102.96
Ultratech Cement Ltd	10	-	-	100	620.87
Valiant Organic Ltd	10	400	177.19	400	622.18
Visaka Industries Ltd	10	-	-	770	251.15
Vindhya Telelink Ltd	10	-	-	500	440.34
Vedanta Limited	1	-	-	2,000	629.02
VST Industries Limited	10	-	-	65	111.12
YES BANK LTD	2	-	-	25,000	414.05
Total Cost			13,153.74		37,889.89
Market Value as on 31st March			19,167.08		58,830.37



PALI COMMERCIAL COMPANY LIMITED
CIN : L51909WB1981PLC034414

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 6

Amount in Thousand

Inventories	As at 31st March,2023	As at 31st March,2022
	₹	₹
Shares and Securities :		
Investment carried at Fair Value through Profit or Loss Account (FVTPL)		
1000 Equity Shares of Cauvery Software Ltd	-	25.15
500 Equity Shares of CRB Corporation Ltd	-	0.93
500 Equity Shares of CRB Marketing Ltd	-	0.83
4000 Equity Shares of DSQ Software Ltd	-	931.43
1000 Equity Shares of Goodearth Organics Ltd	-	33.00
100 Equity Shares of Gujrat Optical Co Ltd	-	0.10
500 Equity Shares of Indo Biotech Foods Ltd	-	2.00
1500 Equity Shares of Motorola India Ltd	-	114.27
1000 Equity Shares of Marine Cargo Ltd	-	1.00
1000 Equity Shares of Pertech Computer Ltd	-	27.64
1000 Equity Shares of Sidh Global Trust Ltd	-	26.64
200 Equity Shares of Skyline NEPC Ltd	-	0.10
155 Bonus Equity Shares of Hind Engineering Ltd	-	-
492 Bonus Equity Shares of Kesoram Textile Ltd	-	-
Total Cost of Shares	-	1,163.08
Less: Diminution in value of shares (Excess of cost over market price of shares and securities)	-	1,077.63
Market price of Shares	-	85.45

NOTE 7

Current tax assets	As at 31st March,2023	As at 31st March,2022
	₹	₹
TDS & Self asst tax	1,746.48	1,681.39
Income tax paid(under appeal)	81.70	81.70
	1,828.18	1,763.09

NOTE 8

Deferred tax assets	As at 31st March,2023	As at 31st March,2022
	₹	₹
Deferred Tax Assets / (Liabilities) arising on account of timing differences in:		
Difference in tax depreciation and depreciation/amortisation for financial reporting purpose	0.15	0.17
Expense charged to P & L in current year, but allowed for tax on payment basis	106.42	93.94
Deferred Tax Assets/(Liabilities) (net)	106.58	94.11



PAL COMMERCIAL COMPANY LIMITED
CIN :L51909WB1981PLC034414
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 9

Amount in Thousand

Other non-financial assets	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
others	6.00	11.37
Advance to staff	3.00	3.00
Security deposit	300.00	-
Receivables from share broker	309.00	14.37
Total		

NOTE 11

Borrowings	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
Unsecured loan, considered good Loan from related party from directors and shareholders	5,484.92	9,702.25
Total	5,484.92	9,702.25

NOTE 12

Current tax liability	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
Provision for income tax	1,270.00	1,296.21
Total	1,270.00	1,296.21

NOTE 13

Provisions	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
Provision for employees benefit Gratuity (Funded through Fixed Deposits with Banks)	409.33	361.33
Total	409.33	361.33

NOTE 14

Other non financial liability	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
Liabilities for expense	230.88	255.82
Statutory payable	0.57	0.57
P Tax Payable	7.46	7.46
Providend fund payable	319.89	68.26
TDS Payable		
Total	558.79	332.10



PALI COMMERCIAL COMPANY LIMITED

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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Amount in Thousand

Sr. No.	Particulars	Net Block				
		As at 01.04.2022	Addition	Deletion	As at 31.03.2023	WDV as on 31.03.2022
	Property, Plant & Equipment					
I	Tangible Assets		11,816.02	-	11,816.02	-
1	Land					11,816.02
	Total (I)		11,816.02	-	11,816.02	-

NOTE - 10



PALI COMMERCIAL COMPANY LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 15

Share capital	Amount In Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
Authorised 9,90,000 (9,90,000) Equity shares of Rs 10/- each	9,900.00	9,900.00
Issued, subscribed & paid up 9,90,000 (9,90,000) equity shares of Rs 10/- each fully paid in cash	9,900.00	9,900.00
Total	9,900.00	9,900.00

NOTE 15.1

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

Amount In Thousand

Particulars	Equity shares(31.03.2023)		Equity shares(31.03.2022)	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	990,000	9,900.00	990,000	9,900.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	990,000	9,900.00	990,000	9,900.00

NOTE 15.2

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

NOTE 15.3

The details of Shareholders holding more than 5% shares:

Name of the shareholders	As at 31st March 2023		As at 31st March 2022	
	No. of shares	% held	No. of shares	% held
NIL				

NOTE 15.4

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

NOTE 15.5

During any of the last five years from year ended 31st March,2023

- 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 15.6

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

NOTE 15.7

Shareholding of promoters :

Sl No	Name of the Promoters	As at 31st March 2023		As at 31st March 2022		% 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
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 16

Amount in Thousand

Other equity	As at 31st March,2023	As at 31st March,2022
	₹	₹
(i) General Reserve		
Balance as per last financial statement	33.00	33.00
Add: During the year	-	-
Closing balance (A)	33.00	33.00
(ii) Other Reserves (Reserve Fund in terms of Section 45IC of the RBI Act, 1934)		
Balance as per last financial statement	4,538.19	3,771.83
Add: During the year	1,297.66	766.36
Closing balance (B)	5,835.85	4,538.19
(iii) Retained Earnings		
Balance as per last financial statement	16,384.72	13,319.30
Add: Profit for the year	6,488.32	3,831.78
Less: appropriations-transfer to RBI reserve fund	(1,297.66)	(766.36)
Closing balance (C)	21,575.38	16,384.72
(iv) Other Comprehensive Income		
Balance as at the beginning of the year	20,940.48	14,057.26
Add: Gain/(loss) for the year	(14,927.09)	6,883.22
Closing balance (D)	6,013.39	20,940.48
Total(A +B+C+D)	33,457.62	41,896.39

NOTE 16.1

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 16.2

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

Special 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 16.3

Retained Earnings

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

NOTE 16.4

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
CIN :L51909WB1981PLC034414
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2023

NOTE 17

	Amount In Thousand	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<u>Interest Income</u>	₹	₹
Interest on Loans	103.40	332.69
Interest income on fixed deposits	21.83	23.94
Interest on IT refund	13.54	5.40
Total	138.77	362.03

NOTE 18

	Amount In Thousand	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<u>Other Income</u>	₹	₹
Commission received (TDS : current year 1,88,235/-, previous year 1,89,756/-)	3,764.70	3,795.00
Sundry Balance W/o	29.78	-
Total	3,794.48	3,795.00

NOTE 19

	Amount In Thousand	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<u>Finance cost</u>	₹	₹
Interest on borrowings	759.77	1,000.76
Total	759.77	1,000.76

NOTE 20

	Amount In Thousand	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<u>Change in inventories</u>	₹	₹
Shares & Securities At the begining of the period	85.45	85.45
At the end of the preiod	-	85.45
Total	85.45	-

NOTE 21

	Amount In Thousand	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<u>Employee benefits expense</u>	₹	₹
Attendance Allowance	29.18	48.26
Bonus	32.10	39.33
Contribution to Provident Fund	37.44	30.78
Child Education Allowance	75.86	78.72
Directors Remuneration	1,406.00	1,406.00
House Rent Allowance	104.63	76.28
Leave Salary	31.85	32.82
House Rent for directors	-	525.00
Provision for Gratuity	48.00	37.67
Salaries	364.90	351.47
Staff Welfare Expenses	26.99	22.12
Tiffin Allowance	65.99	63.94
Washing Allowance	70.24	70.40
Total	2,293.19	2,782.78



PALI COMMERCIAL COMPANY LIMITED
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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2023

NOTE 22

Amount in Thousand

<u>Other expenses</u>	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Administrative, selling and other expenses		
Auditor's Remunerations	16.52	16.52
Advertising expense	9.83	-
Bank Charges	0.98	4.12
Computer Expenses	14.63	21.00
Conveyance Expenses	13.18	13.40
Demat Charges	9.58	5.26
Electricity Charges	0.62	150.78
Filing Fees	25.00	12.50
General Expenses	15.56	10.63
listing fees	359.90	100.30
Meeting Fees	8.00	8.00
Membership & Subscription	17.70	-
Office Maintenance	19.15	140.92
Printing & Stationery	13.36	8.84
Professional Tax (Company)	2.50	2.50
Professional & Legal Expenses	173.95	48.80
Postage & Stamp	6.99	4.61
Rates & Taxes	4.11	4.11
Retainership Fees	-	36.40
Rent	96.00	96.00
Trade Licence fees	2.15	2.30
Travelling Expense	8.17	-
Total	818.08	686.99

NOTE 23

<u>Tax expense</u>	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	Rs.	Rs.
(a) Current Tax		
Provision for Income Tax	1,210.00	710.52
Income Tax adjustment	6.40	-
(b) Deferred Tax	(12.46)	(9.77)
Balance debited to P/L A/c.	1,203.94	700.75

NOTE 24

<u>Earning per share</u>	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Numerator used for Calculating basic and diluted Earning Per Share - Profit After Taxation	6,488.32	3,831.78
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	6.55	3.87

NOTE 25

<u>Payment to auditor as</u>	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Statutory Audit Fee	16.52	16.52
Total	16.52	16.52



PALI COMMERCIAL COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 26 : Financial Assets at Amortised Cost Method

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

Particulars	(Amount in Thousand)	
	As at March 31, 2023	As at March 31, 2022
Investments in Shares	1,670.00	1,670.00
Cash and cash equivalents	774.91	643.83
Loans & Advances	15,000.00	-
Other Bank Balances other than above	408.89	387.05
Total	17,853.80	2,700.89

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

Note 27 : Financial Liabilities at Amortised Cost Method

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

Particulars	(Amount in Thousand)	
	As at March 31, 2023	As at March 31, 2022
Borrowings	5,484.92	9,702.25
Total	5,484.92	9,702.25

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

Note 28 : 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 Thousand)	
	As at March 31, 2023	As at March 31, 2022
Non Current Financial Assets		
Investments in Shares	19,167.08	58,830.37
Total	19,167.08	58,830.37

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 29 : 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 :



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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, 2023 and March 31, 2022 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, 2023 and March 31, 2022

Particulars	(Amount in Thousand)				Total
	Less than 3 Months	3 to 12 months	1 to 5 years	> 5 years	
Year ended March 31,					
Unsecured Loans	-	-	5,484.92	-	5,484.92
Trade Payables	-	-	-	-	-
Year ended March 31,					
Unsecured Loans	-	-	9,702.25	-	9,702.25
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
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NOTES ON FINANCIAL STATEMENTS

Note 30 : 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

Amount in Thousand

Particulars	Dealing in Shares & Securities	Finance & Brokerage	Unallocated	Year Ended 31.03.2023
SEGMENT REVENUE				
Current Year	508.39	3,889.93	7,250.43	11,648.75
Previous Year	1,327.75	4,151.63	3,523.68	9,003.06
EXPENSES				
Current Year	143.85	1,787.18	1,940.00	3,871.03
Previous Year	514.36	2,592.60	1,363.57	4,470.53
RESULTS				
Segment Results	364.54	2,102.75	5,310.43	7,777.72
Previous Year	813.40	1,559.02	2,160.11	4,532.53
Income Tax	-	-	-	1,210.00
Previous Year	-	-	-	710.52
Deferred Tax	-	-	-	(12.46)
Previous Year	-	-	-	(9.77)
Income Tax Adjustment	-	-	-	6.40
Previous Year	-	-	-	-
Provision for FBT	-	-	-	-
Previous Year	-	-	-	-
Total Results	364.54	2,102.75	5,310.43	6,573.78
CAPITAL EMPLOYED				
Segment Assets	20,874.86	15,703.25	14,201.86	50,779.97
Previous Year	60,691.60	727.35	2,066.28	63,485.23
Segment Liabilities	-	5,484.92	968.12	6,453.04
Previous Year	-	3,652.81	1,083.12	4,735.93
CAPITAL EMPLOYED	20,874.86	10,218.33	13,233.74	44,326.93

BUSINESS AND GEOGRAPHICAL & SEGMENT

i) **Business Segments:**

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

- a) Dealing in Shares & Securities and
- b) 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 31 : 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.

Particulars	(Amount in Thousand)	
	March 31, 2023	March 31, 2022
A) Net Debt		
Borrowings (Current and Non-Current)	5,484.92	9,702.25
Net Debt (A)	5,484.92	9,702.25
B) Equity		
Equity share capital	9,900.00	9,900.00
Other Equity	33,457.62	41,896.39
Total Equity (B)	43,357.62	51,796.39
Gearing Ratio (Net Debt / Capital) i.e. (A / B)	12.65	18.73

Note 32 : Contingent Liabilities not Provided for:

(a) Particulars	(Amount in Thousand)	
	March 31, 2023	March 31, 2022
Disputed Liabilities in respect of Income Tax	-	-
Total	-	-

Note 33 : 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

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

(ii) Details of Related Party transactions during the year ended March 31, 2023

Particulars	(Amount in Thousand)	
	As at March 31, 2023	As at March 31, 2022
Interest Paid		
Vinita Khaitan	48.06	202.72
Suresh Kumar Murarka	389.85	336.15
Anjana Khaitan	23.57	85.92
Loan taken		
Vinita Khaitan	-	1,205.00
Suresh Kumar Murarka	400.00	450.00
Anjana Khaitan	360.00	4,225.00
Loan taken returned		
Vinita Khaitan	2,490.26	-
Anjana Khaitan	1,510.00	3,100.00



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(iii) Closing Balances of the Related Parties

(Amount In Thousand)

Particulars	Balances as at March 31, 2023	Balances as at March 31, 2022
Loan Taken		
Vinita Khaitan	-	2,490.26
Suresh Kumar Murarka	3,490.54	3,000.00
Anjana Khaitan	-	1,150.00
Total	3,490.54	6,640.26

Note 34 : 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 35 : 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 36 : Analytical Ratios

	Ratio	Numerator	Denominator	31-03-2023	31-03-2022	% Variance	Remarks
a)	Capital to risk weighted assets ratio(CRAR)	39,408.65	37,889.89	104.01%	110.24%	-5.66%	Numerator Net Owned fund(Tier I) and Tier 2 Capital Denominator Risk weighted assets
b)	Tier I CRAR	39,408.65	37,889.89	104.01%	110.24%	-5.66%	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)	774.91	558.79	138.68%	193.87%	-28.47%	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 37 : 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 policies to the extent applicable.



PALI COMMERCIAL COMPANY LIMITED
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Annexure I of Note 35 to the financial statement of a Non Banking Financial Company

		Rs. In lacs	
Particulars		Amount outstanding	Amount overdue
1	Liabilities Side 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)	54.85	-
	Total (1)	54.85	-
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		NIL
	c) Other Public deposits		
	Total (2)		NIL
3	Assets Side Break-up of Loans & Advances including bills receivable (other than those included in (4) below):-	Amount Outstanding	
	a) Secured	Nil	
	b) Unsecured	150.00	
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		NIL



PALI COMMERCIAL COMPANY LIMITED
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Annexure I of Note 35 to the financial statement of a Non Banking Financial Company

5	Break up of Investments:	
	<u>Current Investments :</u>	
1	<u>Quoted :</u>	
	i) Shares : a) Equity	Nil
	b) Preference	Nil
	ii) Debentures & Bonds	Nil
	iii) Units of Mutual Funds	Nil
	iv) Government Security	Nil
	v) Others (please specify)	Nil
2	<u>Unquoted :</u>	
	i) Shares : a) Equity	Nil
	b) Preference	Nil
	ii) Debentures & Bonds	Nil
	iii) Units of Mutual Funds	Nil
	iv) Government Security	Nil
	v) Others (please specify)	Nil
	<u>Long Term Investments:</u>	
1	<u>Quoted :</u>	
	i) Shares : a) Equity	191.67
	b) Preference	Nil
	ii) Debentures & Bonds	Nil
	iii) Units of Mutual Funds	Nil
	iv) Government Security	Nil
	v) Others (please specify)	Nil
2	<u>Unquoted :</u>	
	i) Shares : a) Equity	16.70
	b) Preference	Nil
	ii) Debentures & Bonds	Nil
	iii) Units of Mutual Funds	Nil
	iv) Government Security	Nil
	v) Others (please specify)	Nil

6	Borrower group-wise classification of all assets, stock on hire and loans and advances			
		Amount net of Provisions		
	Category			
		Secured	Unsecured	Total
	1. Related Parties			
	a) Subsidiaries			
	b) Companies in the same group			
	c) Other related parties	Nil		Nil
	2. Other than related parties			
		Nil	Nil	Nil
	Total	Nil	Nil	Nil



PALI COMMERCIAL COMPANY LIMITED

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Annexure I of Note 35 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):		Book Value (Net of Provision)
	Category	Market value / Break up or fair value or NAV	
	1) Related parties		
	a) Subsidiaries		
	b) Companies in the same group	16.70	16.70
	c) Other related parties		
	2. Other than related parties	191.67	191.67
	Total	208.37	208.37
8	Other Information		Amount(Rs.)
	Particulars		
	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 AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

DIRECTORS

Chartered Accountants.

FRN: 310041E

Bhal Chandra Khaitan
(Partner)

Membership No. :017387

UDIN :23017387BGZDNY7034

12 Waterloo Street, 3rd Floor Kolkata - 700069

Date : 30th day of May 2023



Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Nikunj Khaitan
NIKUNJ KHAITAN
(DIN 09808066)

Rakhi Agarwal
RAKHI KUMARI AGARWAL
(Company Secretary)

PALI COMMERCIAL COMPANY LIMITED
32, EZRA STREET,
KOLKATA - 700 001

Consolidated
Audited
Balance Sheet
&
Statement of Profit & Loss
For the year ended on 31st March, 2023

AUDITORS
AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES
Chartered Accountants

12 Waterloo Street, 3rd Floor
Kolkata - 700 069

Tel.: (033) 4004 8575



Agarwal Gupta Nokari & Rustagi Associates
Chartered Accountants

12, Waterloo Street
3rd Floor
Kolkata - 700069
Phone : 2248 7696, 4004 8575
E-mail : agnra1985@gmail.com

INDEPENDENT AUDITOR'S REPORT

To
The Members of
PALI COMMERCIAL COMPANY LTD

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **PALI COMMERCIAL COMPANY LTD** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS 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 accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder, of the consolidated state of affairs of the Group as at 31st March, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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



Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report and Shareholder's Information but does not include the consolidated Ind AS financial statements and auditors' report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

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

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group and of its associate.



Auditors' Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements 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 ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - (a) We and the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.




- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated outside India, none of the directors of the Group companies incorporated in India, is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in the Annexure "A".
- (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, the company has not paid managerial remuneration to its directors during the year.
- (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 and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other Matter' paragraph:
- i. The Group and its subsidiary do not have any pending litigations which would impact its financial position.
 - ii. The Group and its subsidiary did not have any long-term contracts including derivative contracts as at 31st March, 2023 for which necessary provisions, as required under the applicable law or Ind AS, has been made for material foreseeable losses, if any.
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company.
- iv. (a) The respective Management of the Company, its subsidiary (incorporated outside India) have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 respective Management of the Company, its subsidiary (incorporated outside India) have represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. Since the Holding Company had not declared and paid any dividend during the year, the question of commenting on whether the same is accordance with section 123 of the Companies Act 2013 does not arise.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of the subsidiary companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
2. With respect to the matters specified in clause (xxi) of paragraph and paragraph 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us and the auditors of respective companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that there are no qualifications or adverse remarks in these CARO reports of the said respective companies included in the consolidated financial statement except that on clause 3(vii)(a) of the Order as given in our CARO report of the standalone financial statements of the Holding Company .

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants
Firm Reg. No.: 310041E


Bhal Chandra Khaitan
(Partner)

Membership No. : 017387
UDIN: :23017387BGZDOF6367
Place Kolkata
Dated this 30th day of May 2023





ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on Consolidated Ind AS Financial Statements)

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

In conjunction with our audit of the consolidated Ind AS financial statements of **PALI COMMERCIAL COMPANY LTD** as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of **PALI COMMERCIAL COMPANY LTD** (hereinafter referred to as "the Holding Company"), its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") which are companies incorporated in India & outside India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note 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 with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Ind AS financial statements

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting with reference to these Ind AS financial statements and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS financial statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India & outside India, have maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.



Other Matters

Our aforesaid report under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Ind AS financial statements in so far as it relates to one subsidiary companies incorporated outside India is based on the corresponding reports of the auditors of such subsidiary companies incorporated outside India.

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants

Firm Reg. No.: 310041E

Bhalla
Bhal Chandra Khaitan

(Partner)

Membership No. : 017387

UDIN: :23017387BGZDOF6367

Place Kolkata

Dated this 30th day of May 2023



PALI COMMERCIAL COMPANY LIMITED

CIN :L51909WB1981PLC034414

Consolidated Balance Sheet as at 31st March, 2023

(Amount in Thousand.)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	2	774.91	643.83
(b) Bank Balance other than (a) above	3	408.89	387.05
(c) Loans & advances	4	15,000.00	-
(d) Investments	5	20,817.03	60,481.04
2 Non-financial Assets			
(a) Inventories	6	-	85.45
(b) Current tax assets	7	1,828.18	1,763.09
(c) Deferred tax assets	8	106.58	94.11
(d) Other non financial assets	9	309.00	14.37
(e) Property, plant & equipments	10	11,816.02	-
TOTAL ASSETS		51,060.61	63,468.95
EQUITY AND LIABILITIES			
LIABILITIES			
1 Financial Liabilities			
(a) Borrowings	11	5,484.92	9,702.25
2 Non-financial Liabilities			
(a) Current tax liability	12	1,270.00	1,296.21
(b) Provisions	13	409.33	361.33
(c) Other non financial liability	14	558.79	332.10
TOTAL LIABILITIES		7,723.04	11,691.89
EQUITY			
(a) Equity share capital	15	9,900.00	9,900.00
(b) Other equity	16	33,437.57	41,877.06
TOTAL EQUITY		43,337.57	51,777.06
TOTAL LIABILITIES & EQUITY		51,060.61	63,468.95

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1 to 37

As per our report of even date

For and on Behalf of Board

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.
FRN: 310041E

Bhal Chandra Khaitan
Bhal Chandra Khaitan
(Partner)

Membership No. :017387
UDIN :23017387BGZDOF6367
12 Waterloo Street, 3rd Floor Kolkata - 700069
Date : 30th day of May 2023



Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Nikunj Khaitan
NIKUNJ KHAITAN
(DIN 09808066)

Rakhi Agarwal
RAKHI KUMARI AGARWAL
(Company Secretary)

PALI COMMERCIAL COMPANY LIMITED
CIN :L51909WB1981PLC034414

Statement of Consolidated Profit and loss for the year ended 31.03.2023

(Amount in Thousand.)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
INCOME :			
Revenue from operation			
Interest Income	17	138.77	362.03
Dividend Income		508.39	1,327.75
Net gain on sale of investments		7,207.11	3,518.28
Total Revenue from operations		7,854.27	5,208.06
Other income	18	3,794.48	3,795.00
Share of Profit/(Loss) from associates		(0.72)	(1.55)
Total Income		11,648.03	9,001.51
EXPENSES :			
Finance cost	19	759.77	1,000.76
Change in inventory	20	85.45	-
Employee benefits expense	21	2,293.19	2,782.78
Other expenses	22	818.08	686.99
Total Expenses		3,956.49	4,470.53
Profit before exceptional items and tax		7,691.54	4,530.97
Exceptional items		-	-
Profit before and tax		7,691.54	4,530.97
Tax expenses:	23		
(1) Current tax		1,210.00	710.52
(2) Income tax adjustment		6.40	-
(3) Deferred tax adjustment		(12.46)	(9.77)
Profit for the year		6,487.60	3,830.22
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		(14,927.09)	6,883.22
Tax Effect on above		-	-
Other Comprehensive Income for the year, net of tax		(14,927.09)	6,883.22
Total comprehensive income for the year		(8,439.49)	10,713.44
Earnings per equity share:			
(1) Basic	24	6.55	3.87
(2) Diluted		6.55	3.87

**SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**

1 to 37

As per our report of even date attached.

For and on Behalf of Board

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.

FRN: 310041E

Bhal Chandra Khaitan
(Partner)

Membership No. :017387
UDIN :23017387BGZD0F6367
12 Waterloo Street, 3rd Floor Kolkata - 700069
Date : 30th day of May 2023



Vinita Khaitan
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(DIN 09808066)

Rakhi Agarwal
RAKHI KUMARI AGARWAL
(Company Secretary)

PALI COMMERCIAL COMPANY LIMITED

CIN :L51909WB1981PLC034414

Statement of changes in equity for the year ended 31.03.2023

A. Equity share capital

Amount In Thousand

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in 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 2022-23	Balance at the end of the current reporting period
9,900.00	-	9,900.00	-	9,900.00

(2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in 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 2021-22	Balance at the end of the previous reporting period
9,900.00	-	9,900.00	-	9,900.00

B. Other Equity

	Reserve & Surplus			Equity Instrument though Other Comprehensive Income	Total
	General Reserve	Other reserve(RBI)	Retained Earnings		
Balance as on 1st April 2021	33.00	3,768.89	13,304.46	14,057.26	31,163.61
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	33.00	3,768.89	13,304.46	14,057.26	31,163.61
Total comprehensive Income for the Year	-	-	3,830.22	6,883.22	10,713.44
Transfer to RBI reserve	-	766.04	(766.04)	-	-
Balance as on 31st March 2022	33.00	4,534.93	16,368.64	20,940.48	41,877.06
Balance as on 1st April 2022	33.00	4,534.93	16,368.64	20,940.48	41,877.06
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	33.00	4,534.93	16,368.64	20,940.48	41,877.06
Total comprehensive Income for the Year	-	-	6,467.60	(14,927.09)	(8,439.49)
Transfer to RBI reserve	-	1,297.52	(1,297.52)	-	-
Balance as on 31st March 2023	33.00	5,832.46	21,558.72	6,013.39	33,437.57

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1 to 37

As per our report of even date attached.

For and on Behalf of Board

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.

FRN: 310041E

Bhal Chandra Khaitan
(Partner)

Membership No. :017387

UDIN :23017387BGZD0F6367

12 Waterloo Street, 3rd Floor Kolkata - 700069

Date : 30th day of May 2023



Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Nikunj Khaitan
NIKUNJ KHAITAN
(DIN 09808066)

Rakhi Agarwal
RAKHI KUMARI AGARWAL
(Company Secretary)

PALI COMMERCIAL COMPANY LIMITED
CIN : L51909WB1981PLC034414
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2023

Amount in Thousand

PARTICULARS	As at 31st March, 2023		As at 31st March, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		7,691.54		4,530.97
ADJUSTMENT FOR				
Provision for gratuity	48.00		37.67	
Share of Loss From Associates	0.72		1.55	
(Profit)/ Loss on sale of investment	(7,207.11)		(3,518.28)	
Dividend Received	(908.39)		(1,327.75)	
Interest on IT refund	(13.54)	(7,680.32)	(5.40)	(4,812.21)
		11.22		(261.21)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
ADJUSTED FOR:				
Change in Inventory	85.45			
Loans & Advances	(15,000.00)			
Other Current Assets	(294.63)		(1.37)	
Other current liabilities	226.69	(14,982.49)	(427.37)	(428.74)
CASH GENERATED FROM OPERATIONS				
		(14,971.27)		(709.96)
NET CASH FROM OPERATING ACTIVITIES BEFORE TAXES PAID				
Taxes Paid During The Year	1,648.99	(14,971.27)	1,471.26	-
Income tax refund	(354.83)	1,294.16	(88.40)	1,382.86
NET CASH FROM OPERATING ACTIVITIES (A)				
		(16,285.43)		(2,062.82)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition on Non-current Investment	(12,389.39)		(24,211.24)	
Acquisition on PPE	(11,816.02)			
Sale of Non-current Investment	44,332.70		19,027.21	
Dividend received	908.39	20,635.67	1,327.75	(3,856.27)
NET CASH USED IN INVESTING ACTIVITIES (B)				
		20,635.67		(3,856.27)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of loans				
Proceeds from Short Term Borrowings	-4,217.33	(4,217.33)	6,049.64	6,049.64
NET CASH USED IN FINANCING ACTIVITIES (C)				
		(4,217.33)		6,049.64
D. NET (DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)				
		152.92		100.34
NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AS AT 3-04-2023(01-04-2023)				
		1,030.89		930.54
LESS: CASH AND CASH EQUIVALENTS AS AT 31-03-2023 (31-03-2022)				
		1,183.80		1,030.89
		152.92		100.34

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 AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.

FRN: 310041E

Bhal Chandra Khaitan
Bhal Chandra Khaitan
(Partner)

Membership No. :017387

UDIN :23017387BGZD0F6367

12 Waterloo Street, 3rd Floor Kolkata - 700069

Date : 30th day of May 2023



For and on Behalf of Board

Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Nikunj Khaitan
NIKUNJ KHAITAN
(DIN 09808066)

Rakhi Agarwal
RAKHI KUMARI AGARWAL
(Company Secretary)

PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

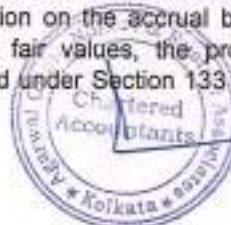
The Company has one associate KWW Electricals Pvt Limited (the "Associate Company") is a private limited company and was incorporated on November 5, 1997 under the provision of the Companies Act, 1956.

Note 2: Summary of Significant Accounting Policies

A. Basis of preparation of financial statements

- (i) The consolidated financial statements include the financial statements of Pali Commercial company Limited, the parent (hereinafter referred to as 'the Company'), its Associate (KWW Electricals Pvt Limited) (collectively referred to as 'the Group').
- (ii) These consolidated financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in exercise of the power conferred under sub-section (1)(a) of section 469 and the relevant provisions of the Companies Act 2013 read with the Rule 7 of Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 (the "Act"). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group unless otherwise stated.
- (iii) Investments in associates are been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- (iv) The Company accounts for its share in associates by using the equity method. Under the equity method, the investment is initially recorded at cost, identifying any goodwill/ capital reserve arising at the time of acquisition and the carrying amount is increased or decreased to recognise the investor's share of the profits or losses of the investee after the date of acquisition associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information. Distributions received from an investee reduce the carrying amount of the investment.
- (v) **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



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to year ended March 31, 2019 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind-AS. The Company has adopted all the Ind-AS standards and the adoption was carried out in accordance with Ind-AS 101 "First time adoption of Indian Accounting Standards". The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in note 4.

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.

(vi) 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;

(vii) 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

- (viii) 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.



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 judgements 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 judgement is required in establishing fair values. Judgements 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



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

plant and equipment and borrowing costs for long-term construction projects if the recognition 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.



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

An item of property, plant and equipment is derecognised 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 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 derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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:



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- 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.

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:



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

-
- 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
 - 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.

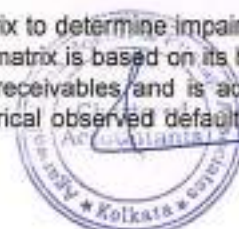
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

updated and changes in the forward-looking estimates are analysed. 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 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



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

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.



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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.

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



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 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.



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

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.



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

CIN :L51909WB1981PLC034414

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 2

Amount In Thousand

Cash and Cash Equivalents	As at 31st March,2023	As at 31st March,2022
	₹	₹
a. Cash on hand	99.01	96.85
b. Balances with scheduled banks in current accounts	675.90	546.99
Total	774.91	643.83

NOTE 3

Other Bank Balances	As at 31st March,2023	As at 31st March,2022
	₹	₹
Fixed Deposits with maturity period of more than 12 month.	408.89	387.05
Total	408.89	387.05

NOTE 4

Loans & Advances	As at 31st March,2023	As at 31st March,2022
	₹	₹
Advance against construction of property	15,000.00	-
Total	15,000.00	-

NOTE 5

Investments	As at 31st March,2023	As at 31st March,2022
	₹	₹
<u>Measured at fair value through other comprehensive income</u> <u>In Equity Shares, Quoted Shares</u> As per annexure 5.1	19,167.08	58,830.37
<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	199.95	200.67
<u>Investment in Other Unquoted Equity</u> <u>Khañan Winding Wire Private Limited</u> 29000 (29000) Equity Shares of Rs. 10/- each fully paid up	1,450.00	1,450.00
Total	20,817.03	60,481.04

Aggregate amount of Unquoted Investments

Aggregate amount of Quoted Investments

Market Value of Quoted Investments

Investments held in India

Investments outside India

1,649.95

19,167.08

19,167.08

20,817.03

1,650.67

58,830.37

58,830.37

60,481.04



PALI COMMERCIAL COMPANY LIMITED

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

NOTE 5.1

Amount in Thousand

Non-Current Investments	Face Value	No of Shares	As at 31st March,2023	No of Shares	As at 31st March,2022
Measured at fair value through other comprehensive income					
Quoted equity shares					
Aarti Industries Limited	5	-	-	1,000	13.07
Aarti Drugs Limited	10	397	180.00	397	315.71
Aarti Surfactants Ltd	10	49	-	49	-
AGI Greenpac Limited	10	1,565	228.85	-	-
Akzo Nobel India Ltd.	10	-	-	250	552.22
Andhra Sugar Ltd	2	-	-	5,000	578.20
Avadh Sugar & Industries Ltd	10	1,000	617.71	1,000	617.71
Asahi Songwon Colors Limited	10	916	116.54	1,000	126.21
Axis Bank Ltd	2	250	81.54	250	81.54
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	451	142.53	1,000	521.96
Bharti Airtel Ltd	5	-	-	1,000	564.09
BPL Engineering Limited.	10	1,500	6.69	1,500	6.69
Canfin Homes Finance Limited	2	-	-	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
Carborundum Universal Limited	1	400	42.65	400	42.65
Care Ratings Ltd	10	-	-	450	188.07
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	3,000	550.85
FDC Ltd	1	-	-	500	114.81
Godfry Philips Ltd	2	-	-	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
Gujarat Fluorochem Ltd	1	-	-	500	209.90
Gujarat Alkalies Ltd	2	-	-	800	540.88
GRASIM Limited	2	-	-	800	825.09
HPCL	10	-	-	2,250	-
HDFC Bank Limited.	2	-	-	500	230.93
HDFC Life Insurance Ltd	1	-	-	1,000	435.87
HEG Ltd	5	400	411.70	-	-
Hind Copper Ltd	5	3,000	317.64	3,000	430.42
Hinduja Global solutions Limited	10	-	-	550	850.51
Hindalco Ltd	1	-	-	1,000	499.90
HSIL	2	-	-	1,700	248.59
Infosys Limited	5	50	23.13	50	23.13
Indian Oil Corporation Limited	10	-	-	10,012	1,479.24
INE Styrolution ABS (India) Limited	10	500	397.53	800	776.14
ICICI Bank Limited	2	1,300	315.92	1,300	315.92
ICICI Securities Ltd	5	-	-	450	187.56



PALI COMMERCIAL COMPANY LIMITED

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

NOTE 5.1

Amount In Thousand

Non-Current Investments	Face Value	No of Shares	As at 31st March,2023	No of Shares	As at 31st March,2022
Measured at fair value through other comprehensive income					
Quoted equity shares					
ICIL LTD	2	3,000	383.41	2,000	538.71
IRCTC LTD	2	500	321.39	500	573.47
IG Petrochemicals Ltd	10	1,000	514.79	1,300	801.73
IPCA Laboratories Ltd	2	-	-	180	100.16
JSW Energy Ltd	10	-	-	1,000	253.11
Jubilant Ingrevia LTD	1	1,500	792.24	1,000	746.43
IPCA Laboratories	5	180	100.16	-	-
ITC Limited	1	300	24.36	3,300	735.99
Kansal 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	50	171.04	75	323.97
Maharashtra Seamless Ltf		2,000	649.82	-	-
Maars Software International Limited	10	54,545	104.15	54,545	104.15
MSTC LTD	10	2,000	618.98	2,000	862.80
Mangalam Cement Ltd	10	-	-	500	186.03
Matrimoney Ltd	5	500	454.75	500	505.83
Procter & Gamble Health Ltd (Merck Limited)	10	263	195.99	305	227.29
Munjil Auto Industries Limited	2	-	-	8,000	31.60
Mannapuram Finance Limited	2	-	-	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
Munjil Showa Limited	2	800	48.16	800	48.16
Nestle India Limited	10	-	-	55	360.76
National Aluminium Ltd	5	-	-	3,000	141.97
NMDC Limited.	1	-	-	1,500	133.86
Nitin Spinner 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	1,500	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
Philips Carbon Black Ltd	2	-	-	4,000	703.53
Pfizer Ltd	10	100	445.88	100	519.39
Poonawala Fincorp Ltd	2	-	-	1,500	437.78
PIDILITE Limited	1	140	125.47	140	125.47
Ram Ratna Wires Limited	5	400	2.77	200	2.77
Reliance Industries Limited	10	-	-	600	250.11
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	1,250	415.74	125	576.77
Sail	10	-	-	3,300	297.07
SBI	1	1,000	195.96	2,000	729.34
South Indian Bank		25,000	512.78	-	-
Tata Chemicals Ltd	10	-	-	600	525.07
Tata Motors Limited	2	2,150	279.12	2,150	279.13
TATA Communication	10	400	536.45	-	-
TCS	1	196	352.87	196	352.87



PALI COMMERCIAL COMPANY LIMITED

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS

NOTE 5.1

Amount in Thousand

Non-Current Investments	Face Value	No of Shares	As at 31st March,2023	No of Shares	As at 31st March,2022
Measured at fair value through other comprehensive income					
Quoted equity shares					
Tata Consumer Products Ltd	1	700	214.82	1,110	477.65
TISCO	10	4,000	469.56	900	904.98
Tirumalai Chemical Ltd	1	1,500	414.70	2,100	188.14
Torrent Power Limited	10	600	102.96	600	102.96
Ultratech Cement Ltd	10	-	-	100	620.87
Valiant Organic Ltd	10	400	177.19	400	622.18
Visaka Industries Ltd	10	-	-	770	251.15
Vindhya Telelink Ltd	10	-	-	500	440.34
Vedanta Limited	1	-	-	2,000	629.02
VST Industries Limited	10	-	-	65	111.12
YES BANK LTD	2	-	-	25,000	414.05
			-		
			-		
Total Cost			13,153.74		37,889.89
Market Value as on 31st March			19,167.08		58,830.37



PALI COMMERCIAL COMPANY LIMITED
CIN :L51909WB1981PLC034414

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 6

Amount In Thousand

Inventories	As at 31st March,2023	As at 31st March,2022
	₹	₹
Shares and Securities :		
Investment carried at Fair Value through Profit or Loss Account (FVTPL)		
1000 Equity Shares of Cauvery Software Ltd	-	25.15
500 Equity Shares of CRB Corporation Ltd	-	0.93
500 Equity Shares of CRB Marketing Ltd	-	0.83
4000 Equity Shares of DSQ Software Ltd	-	931.43
1000 Equity Shares of Goodearth Organics Ltd	-	33.00
100 Equity Shares of Gujrat Optical Co Ltd	-	0.10
500 Equity Shares of Indo Biotech Foods Ltd	-	2.00
1500 Equity Shares of Motorola India Ltd	-	114.27
1000 Equity Shares of Marine Cargo Ltd	-	1.00
1000 Equity Shares of Perftech Computer Ltd	-	27.64
1000 Equity Shares of Sidh Global Trust Ltd	-	26.64
200 Equity Shares of Skyline NEPC Ltd	-	0.10
155 Bonus Equity Shares of Hind Engineering Ltd	-	-
482 Bonus Equity Shares of Kesoram Textile Ltd	-	-
Total Cost of Shares	-	1,163.08
Less: Diminution in value of shares (Excess of cost over market price of shares and securities)	-	1,077.63
Market price of Shares	-	85.45

NOTE 7

Current tax assets	As at 31st March,2023	As at 31st March,2022
	₹	₹
TDS & Self asst tax	1,746.48	1,681.39
Income tax paid(under appeal)	81.70	81.70
	1,828.18	1,763.09

NOTE 8

Deferred tax assets	As at 31st March,2023	As at 31st March,2022
	₹	₹
Deferred Tax Assets / (Liabilities) arising on account of timing differences in:		
Difference in tax depreciation and depreciation/amortisation for financial reporting purpose	0.15	0.17
Expense charged to P & L in current year, but allowed for tax on payment basis	106.42	93.94
Deferred Tax Assets/(Liabilities) (net)	106.58	94.11



PALI COMMERCIAL COMPANY LIMITED

CIN :L51909WB1981PLC034414

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 9

<u>Other non-financial assets</u>	Amount In Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
others		
Advance to staff	6.00	11.37
Security deposit	3.00	3.00
Receivables from share broker	300.00	-
Total	309.00	14.37

NOTE 11

<u>Borrowings</u>	Amount In Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
Unsecured loan, considered good		
Loan from related party from directors and shareholders	5,484.92	9,702.25
Total	5,484.92	9,702.25

NOTE 12

<u>Current tax liability</u>	Amount In Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
Provision for income tax	1,270.00	1,296.21
Total	1,270.00	1,296.21

NOTE 13

<u>Provisions</u>	Amount In Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
Provision for employees benefit		
Gratuity (Funded through Fixed Deposits with Banks)	409.33	361.33
Total	409.33	361.33

NOTE 14

<u>Other non financial liability</u>	Amount In Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
Liabilities for expense	230.88	255.82
Statutory payable		
P Tax Payable	0.57	0.57
Provident fund payable	7.46	7.46
TDS Payable	319.89	68.26
Total	558.79	332.10



PALI COMMERCIAL COMPANY LIMITED

CIN :151909WB1981PLC034414

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTE - 10

Sr. No.	Particulars	Amount in Thousand						Net Block			
		As at 01.04.2022	Addition	Deletion	As at 31.03.2023	As at 01.04.2022	Addition during the year	Deletion	As at 31.03.2023	WDV as on 31.03.2023	WDV as on 31.03.2022
	Property, Plant & Equipment										
I	Tangible Assets:										
1	Land	-	11,816.02	-	11,816.02	-	-	-	11,816.02	-	-
	Total (I)	-	11,816.02	-	11,816.02	-	-	-	11,816.02	-	-



PALI COMMERCIAL COMPANY LIMITED

CIN :L51909WB1981PLC034414

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 15

Amount In Thousand

Share capital	As at 31st March,2023	As at 31st March,2022
	₹	₹
Authorised 9,90,000 (9,90,000) Equity shares of Rs 10/- each	9,900.00	9,900.00
Issued, subscribed & paid up 9,90,000 (9,90,000) equity shares of Rs 10/- each fully paid in cash	9,900.00	9,900.00
Total	9,900.00	9,900.00

NOTE 15.1

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

Amount In Thousand

Particulars	Equity shares(31.03.2023)		Equity shares(31.03.2022)	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	9,90,000	9,900.00	9,90,000	9,900.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	9,90,000	9,900.00	9,90,000	9,900.00

NOTE 15.2

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

NOTE 15.3

The details of Shareholders holding more than 5% shares:

Name of the shareholders	As at 31st March 2023		As at 31st March 2022	
	No. of shares	% held	No. of shares	% held
NIL				

NOTE 15.4

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

NOTE 15.5

During any of the last five years from year ended 31st March,2023

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

NOTE 15.6

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

NOTE 15.7

Shareholding of promoters :

Sl No	Name of the Promoters	As at 31st March 2023		As at 31st March 2022		% change during the year
		No. of shares	% held	No. of shares	% held	
1	Shiv Kumar Diwana	10	0.00%	10	0.00%	-
2	Sitaram Pansari	10,000	1.01%	10,000	1.01%	-



PALI COMMERCIAL COMPANY LIMITED

CIN :L51909WB1981PLC034414

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 16

Other equity	Amount in Thousand	
	As at 31st March,2023	As at 31st March,2022
	₹	₹
(i) General Reserve		
Balance as per last financial statement	33.00	33.00
Add: During the year	-	-
Closing balance (A)	33.00	33.00
(ii) Other Reserves (Reserve Fund in terms of Section 45IC of the RBI Act, 1934)		
Balance as per last financial statement	4,534.93	3,768.89
Add: During the year	1,297.52	766.04
Closing balance (B)	5,832.46	4,534.93
(iii) Retained Earnings		
Balance as per last financial statement	16,368.64	13,304.46
Add: Profit for the year	6,487.60	3,830.22
Less: appropriations-transfer to RBI reserve fund	(1,297.52)	(766.04)
Closing balance (C)	21,558.72	16,368.64
(iv) Other Comprehensive Income		
Balance as at the beginning of the year	20,940.48	14,057.26
Add: Gain/(loss) for the year	(14,927.09)	6,883.22
Closing balance (D)	6,013.39	20,940.48
Total(A +B+C+D)	33,437.57	41,877.06

NOTE 16.1

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 16.2

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

Special 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 16.3

Retained Earnings

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

NOTE 16.4

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

CIN :L51909WB1981PLC034414

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2023

NOTE 17

<u>Interest Income</u>	Amount In Thousand	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Interest on Loans	103.40	332.69
Interest income on fixed deposits	21.83	23.94
Interest on IT refund	13.54	5.40
Total	138.77	362.03

NOTE 18

<u>Other Income</u>	Amount In Thousand	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Commission received (TD5 : current year 1,88,235/-; previous year 1,89,756/-)	3,764.70	3,795.00
Sundry Balance W/o	29.78	-
Total	3,794.48	3,795.00

NOTE 19

<u>Finance cost</u>	Amount In Thousand	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Interest on borrowings	759.77	1,000.76
Total	759.77	1,000.76

NOTE 20

<u>Change in inventories</u>	Amount In Thousand	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Shares & Securities		
At the beginning of the period	85.45	85.45
At the end of the period	-	85.45
Total	85.45	-

NOTE 21

<u>Employee benefits expense</u>	Amount In Thousand	
	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Attendance Allowance	29.18	48.28
Bonus	32.10	39.33
Contribution to Provident Fund	37.44	30.78
Child Education Allowance	75.86	78.72
Directors Remuneration	1,406.00	1,406.00
House Rent Allowance	104.63	76.28
Leave Salary	31.85	32.82
House Rent for directors	-	525.00
Provision for Gratuity	48.00	37.67
Salaries	384.90	351.47
Staff Welfare Expenses	26.99	22.12
Tiffin Allowance	65.99	63.94
Washing Allowance	70.24	70.40
Total	2,293.19	2,782.78



PALI COMMERCIAL COMPANY LIMITED

CIN :L51909WB1981PLC034414

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2023

NOTE 22

Amount in Thousand

Other expenses	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Administrative, selling and other expenses		
Auditor's Remunerations	16.52	16.52
Advertising expense	9.83	-
Bank Charges	0.98	4.12
Computer Expenses	14.83	21.00
Conveyance Expenses	13.18	13.40
Demat Charges	9.88	5.28
Electricity Charges	0.62	160.78
Filing Fees	25.00	12.50
General Expenses	15.56	10.83
listing fees	359.90	100.30
Meeting Fees	8.00	8.00
Membership & Subscription	17.70	-
Office Maintenance	19.15	140.92
Printing & Stationery	13.38	8.84
Professional Tax (Company)	2.50	2.50
Professional & Legal Expenses	173.95	48.80
Postage & Stamp	6.99	4.61
Rates & Taxes	4.11	4.11
Retainership Fees	-	38.40
Rent	96.00	96.00
Trade Licence fees	2.15	2.30
Traveling Expense	8.17	-
Total	818.08	686.99

NOTE 23

Tax expense	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	Rs.	Rs.
(a) Current Tax		
Provision for Income Tax	1,210.00	710.52
Income Tax adjustment	6.40	-
(b) Deferred Tax	(12.46)	(9.77)
Balance debited to P/L A/c.	1,203.94	700.75

NOTE 24

Earning per share	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Numerator used for Calculating basic and diluted Earning Per Share - Profit After Taxation	6,487.60	3,830.22
Weighted average no. of Shares used as denominator for Calculating EPS.	9,90,000	9,90,000
Nominal Value Per Share	10.00	10.00
Basic and Diluted Earning Per Share	6.55	3.87

NOTE 25

Payment to auditor as	For the year ended 31st March, 2023	For the year ended 31st March, 2022
	₹	₹
Statutory Audit Fee	16.52	16.52
Total	16.52	16.52



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 26 : Financial Assets at Amortised Cost Method

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

Particulars	(Amount In Thousand)	
	As at March 31, 2023	As at March 31, 2022
Investments in Shares	1,649.95	1,650.67
Cash and cash equivalents	774.91	643.83
Loans & Advances	15,000.00	-
Other Bank Balances other than above	408.89	387.05
Total	17,833.75	2,681.56

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

Note 27 : Financial Liabilities at Amortised Cost Method

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

Particulars	(Amount In Thousand)	
	As at March 31, 2023	As at March 31, 2022
Borrowings	5,484.92	9,702.25
Total	5,484.92	9,702.25

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

Note 28 : 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 Thousand)	
	As at March 31, 2023	As at March 31, 2022
Non Current Financial Assets		
Investments in Shares	19,167.08	58,830.37
Total	19,167.08	58,830.37

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 29 : 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 :



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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

Note 30 : 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

Amount in Thousand

Particulars	Dealing in Shares & Securities	Finance & Brokerage	Unallocated	Year Ended 31.03.2023
SEGMENT REVENUE				
Current Year	508.39	3,889.93	7,250.43	11,648.75
Previous Year	1,327.75	4,151.63	3,523.68	9,003.06
EXPENSES				
Current Year	143.85	1,787.18	1,940.00	3,871.03
Previous Year	514.36	2,592.60	1,363.57	4,470.53
RESULTS				
Segment Results	364.54	2,102.75	5,310.43	7,777.72
Previous Year	813.40	1,559.02	2,160.11	4,532.53
Income Tax	-	-	-	1,210.00
Previous Year	-	-	-	710.52
Deferred Tax	-	-	-	(12.46)
Previous Year	-	-	-	(9.77)
Income Tax Adjustment	-	-	-	6.40
Previous Year	-	-	-	-
Provision for FBT	-	-	-	-
Previous Year	-	-	-	-
Total Results	364.54	2,102.75	5,310.43	6,573.78
CAPITAL EMPLOYED				
Segment Assets	20,854.81	15,703.25	14,201.86	50,759.92
Previous Year	60,691.60	727.35	2,066.28	63,485.23
Segment Liabilities	-	5,484.92	968.12	6,453.04
Previous Year	-	3,652.81	1,083.12	4,735.93
CAPITAL EMPLOYED	20,854.81	10,218.33	13,233.74	44,306.88

BUSINESS AND GEOGRAPHICAL & SEGMENT

i) **Business Segments:**

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

- a) Dealing in Shares & Securities and
- b) 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.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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, 2023 and March 31, 2022 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, 2023 and March 31, 2022

Particulars	(Amount in Thousand)				Total
	Less than 3 Months	3 to 12 months	1 to 5 years	> 5 years	
Year ended March 31,					
Unsecured Loans	-	-	5,484.92	-	5,484.92
Trade Payables	-	-	-	-	-
Year ended March 31,					
Unsecured Loans	-	-	9,702.25	-	9,702.25
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.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

Note 31 : 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.

Particulars	(Amount in Thousand)	
	March 31, 2023	March 31, 2022
A) Net Debt		
Borrowings (Current and Non-Current)	5,484.92	9,702.25
Net Debt (A)	5,484.92	9,702.25
B) Equity		
Equity share capital	9,900.00	9,900.00
Other Equity	33,437.57	41,877.06
Total Equity (B)	43,337.57	51,777.06
Gearing Ratio (Net Debt / Capital) i.e. (A / B)	12.66	18.74

Note 32 : Contingent Liabilities not Provided for:

(a) Particulars	(Amount in Thousand)	
	March 31, 2023	March 31, 2022
Disputed Liabilities in respect of Income Tax	-	-
Total	-	-

Note 33 : 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

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

(ii) Details of Related Party transactions during the year ended March 31, 2023

Particulars	(Amount in Thousand)	
	As at March 31, 2023	As at March 31, 2022
Interest Paid		
Vinita Khaitan	48.06	202.72
Suresh Kumar Murarka	389.85	336.15
Anjana Khaitan	23.57	85.92
Loan taken		
Vinita Khaitan	-	1,205.00
Suresh Kumar Murarka	400.00	450.00
Anjana Khaitan	360.00	4,225.00
Loan taken returned		
Vinita Khaitan	2,490.26	-
Anjana Khaitan	1,510.00	3,100.00



PALI COMMERCIAL COMPANY LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(iii) Closing Balances of the Related Parties

(Amount in Thousand)

Particulars	Balances as at March 31, 2023	Balances as at March 31, 2022
Loan Taken		
Vinita Khaitan	-	2,490.26
Suresh Kumar Murarka	3,490.54	3,000.00
Anjana Khaitan	-	1,150.00
Total	3,490.54	6,640.26

Note 34 : 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 35 : 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 36 : Analytical Ratios

	Ratio	Numerator	Denominator	31/03/2023	31/03/2022	% Variance	Remarks
a)	Capital to risk weighted assets ratio(CRAR)	39,406.65	37,889.89	104.00%	0.11%	93970.32%	Numerator Net Owned fund(Tier I) and Tier 2 Capital Denominator Risk weighted assets
b)	Tier I CRAR	39,406.65	37,889.89	104.00%	0.11%	93970.32%	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)	774.91	558.79	138.68%	193.87%	-28.47%	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 37 : 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 policies to the extent applicable.



PALI COMMERCIAL COMPANY LIMITED

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

NOTE 38

Enterprises consolidated as Associates in accordance with the Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements:

Name of the Enterprise	Country of Incorporation	Proportion of ownership interest
KWW Electricals Pvt Limited	India	42.37%

Break up of Investment in Associates is as under:

Name of the Company	Cost of Acquisition	Capital Reserve/ (Goodwill) on acquisition	Share in Profits/ (Loss) of Associates Post Acquisition	(Amount in Thosand)
				Carrying Cost of Investments
KWW Electricals Pvt Ltd	220.00	1,707.02	(20.06)	199.95

The accompanying notes are an integral part of these financial statements

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.

FRN: 310041E

Bhal Chandra Khaitan
(Partner)

Membership No. :017387

UDIN :23017387BGZD0F6367

12 Waterloo Street, 3rd Floor Kolkata - 700069

Date : 30th day of May 2023



For and on Behalf of Board

Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Nitaj Khaitan
NIKUNI KHAITAN
(DIN 09808066)

Rakhi Agarwal
RAKHI KUMARI AGARWAL
(Company Secretary)

PALI COMMERCIAL COMPANY LIMITED

CIN :L51909WB1981PLC034414

Annexure I of Note 38 to the Consolidated financial statement of a Non Banking Financial Company

5	Break up of Investments:			
	<u>Current Investments :</u>			
	1	<u>Quoted :</u>		
		i) Shares :	a) Equity	Nil
			b) Preference	Nil
		ii) Debentures & Bonds		Nil
		iii) Units of Mutual Funds		Nil
		iv) Government Security		Nil
		v) Others (please specify)		Nil
	2	<u>Unquoted :</u>		
		i) Shares :	a) Equity	Nil
			b) Preference	Nil
		ii) Debentures & Bonds		Nil
		iii) Units of Mutual Funds		Nil
iv) Government Security			Nil	
	v) Others (please specify)		Nil	
<u>Long Term Investments:</u>				
1	<u>Quoted :</u>			
	i) Shares :	a) Equity	191.67	
		b) Preference	Nil	
	ii) Debentures & Bonds		Nil	
	iii) Units of Mutual Funds		Nil	
	iv) Government Security		Nil	
	v) Others (please specify)		Nil	
2	<u>Unquoted :</u>			
	i) Shares :	a) Equity	16.70	
		b) Preference	Nil	
	ii) Debentures & Bonds		Nil	
	iii) Units of Mutual Funds		Nil	
	iv) Government Security		Nil	
	v) Others (please specify)		Nil	

6	Borrower group-wise classification of all assets, stock on hire and loans and advances			
		Amount net of Provisions		
	Category			
		Secured	Unsecured	Total
	1. Related Parties			
a) Subsidiaries				
b) Companies in the same group				
c) Other related parties		Nil	Nil	
2. Other than related parties	Nil	Nil	Nil	
Total	Nil	Nil	Nil	



PALI COMMERCIAL COMPANY LIMITED
CIN :L51909WB1981PLC034414

Annexure I of Note 38 to the Consolidated 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		191.67
	Total	208.37	208.37
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 CONSOLIDATED FINANCIAL STATEMENT 1 to 38

As per our report of even date attached.

FOR AGARWAL GUPTA NOKARI & RUSTAGI ASSOCIATES

Chartered Accountants.

FRN: 3100416

Bhal Chandra Khaitan
(Partner)

Membership No. :017387

UDIN :23017387BGZDOF6367

12 Waterloo Street, 3rd Floor Kolkata - 700069

Date : 30th day of May 2023



DIRECTORS

Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Nikunj Khaitan
NIKUNJ KHAITAN
(DIN 09808066)

Rakhi Agarwal
RAKHI KUMARI AGARWAL
(Company Secretary)