

PALI COMMERCIAL COMPANY LIMITED

32, EZRA STREET,
KOLKATA - 700 001

Audited

Balance Sheet

&

Statement of Profit & Loss

For the year ended on 31st March, 2021

AUDITORS

UTTAM AGARWAL & ASSOCIATES

Chartered Accountants

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

Tel.: (033) 2559 6032

PALI COMMERCIAL COMPANY LIMITED
Reg.: 32, EZRA STREET, 7TH FLOOR, ROOM NO- 755
Kolkata- 700001
CIN : L51909WB1981PLC034414
email id: pali@khaitanwire.com
Phone No.033-2225-3846

NOTICE TO THE MEMBERS

Notice is hereby given that the 40th Annual General Meeting of the members of **PALI COMMERCIAL COMPANY LIMITED** will be held at the Registered office of the Company at 32, Ezra Street, 7th Floor, Room No.755, Kolkata - 700 001 on ,Thursday 30th day of September, 2021 at 11:30 a.m. to transact the following Business:-

AS ORDINARY BUSINESS

- 1 To consider and adopt the audited financial statement of the company for the year ended March 31,2021, the reports of the Board of Directors and Auditors thereon
- 2 To appoint a Director in place of Shri Suresh Kumar Murarka (DIN 02130810), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re – appointment.

Registered Office

32, Ezra Street, 7th Floor, Room No.755,
Kolkata -700 001

By Order of the Board of Directors

Vinita Khaitan
Vinita Khaitan
(DIN 07168477)

Dated this: 24th day of August, 2021

NOTES

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company.
- 2 The proxies in order to be effective must be lodged at the Company's Registered office not less than Forty Eight hours before commencement of the meeting.
- 3 Members are requested to notify any change in their address immediately to the Company.

PALI COMMERCIAL COMPANY LIMITED

32, EZRA STREET, 7TH FLOOR, ROOM NO- 755

Kolkata- 700001

CIN : L51909WB1981PLC034414

Email ID: pail@khaitanwire.com

Phone No.033-2225 3846

DIRECTOR'S REPORT

Dear Shareholders,

On behalf of the Board of Directors, it is our pleasure to present the Fortieth Annual Report together with the Audited Statement of Accounts of PALI COMMERCIAL COMPANY LIMITED for the year ended March 31, 2021.

FINANCIAL PERFORMANCE

Particulars	Amount (Rs.)	Amount (Rs.)
	2020-21	2019-20
Profit/(Loss) Before Tax	3,564,901	838,981
Less: Provision for Tax	595,390	9,700
(Add)/Less: Deferred Tax	13,975	(2,221)
Less: I Tax adjustment for earlier years	-	58,201
Profit/(Loss) After Tax	2,955,536	773,300
Add:Balance in Profit & Loss Account	10,954,868	10,336,227
Less: Appropriation		
Trf to Other Reserve as per RBI Act, 1934	591,107	154,660
Closing Balance	13,319,297	10,954,868

RESULTS OF OPERATION AND THE STATE OF COMPANY'S AFFAIRS

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

- > The company has earned a profit of Rs. 29,55,536/- during the current year(P.Y. Profit 7,73,300/-)
- > The company has not made significant capital expenditure during the current year.

The Directors are hopeful for better performance in the future.

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

DIVIDEND

The Directors do not recommend any dividend during the year.

NUMBER OF MEETINGS OF THE BOARD

During the Financial year 2020-21, 6 (Six) number Board meetings were held, details of which are given below:

Date of the Meeting	Strength of Board of Directors	No. of Directors attended the meeting
30/04/2020	3	3
20/06/2020	3	3
30/07/2020	3	3
29/10/2020	3	3
30/01/2021	3	3
16/03/2021	3	3

SHARE CAPITAL/ FINANCE

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

As on 31st March, 2021, 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.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is Annexed as **Annexure 1**.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

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

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

SECRETARIAL AUDIT

The Board has appointed CS Shruti Agarwal (M. No. 38797, CP. No.14602), Practising Company Secretary, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made is provided in the financial statement (Please refer note 7 to the financial statements).

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROL

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

DEPOSITS

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

PARTICULARS OF EMPLOYEES

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

General

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

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


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

ACKNOWLEDGEMENT

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

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


Vinita Khaitan
Director
(DIN: 07168477)


Suresh Kumar Murarka
Director
(DIN: 02130810)

Date: 24th day of August, 2021

Place: Kolkata

FORM NO. MGT 9

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

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2021

I. REGISTRATION & OTHER DETAILS:

i	CIN	L51909WB1981PLC034414
ii	Registration Date	29/12/1981
iii	Name of the Company	PALI COMMERCIAL COMPANY LIMITED
iv	Category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	
	Address :	32, Ezra Street, 7th Floor, Room no. 755
	Town / City :	Kolkata 700 001
	State :	West Bengal
	Country Name :	India
	Telephone (with STD Code) :	033-2225 3846
	Fax Number :	-
	Email Address :	pali@khaitanwire.com
	Website, if any:	No
	vi	Whether listed company
vii	Name and Address of Registrar & Transfer Agents (RTA):-	
	Name of RTA :	Maheshwari Datamatics Pvt. Ltd
	Address :	23 R N Mukherjee Road, 5th Floor
	Town / City :	Kolkata
	State :	West Bengal
	Pin Code :	700 001.
	Telephone :	033-22435029 /22482248
	Fax Number :	033 22484787
	Email Address :	mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY :

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Other Services Auxiliary to financial services n.e.c.	99715990	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

No. of Companies for which information is being filled	1
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Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	KWW Electricals Private Limited P- 38, India Exchange Place, Kolkata- 01	U27109WB1997PTC085831	Associate	42.37	2(6)

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i. **Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	10,010	10,010	1.01%	-	10,010	10,010	1.01%	0.00%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRI - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	10,010	10,010	1.01%	-	10,010	10,010	1.01%	0.00%
B. Non-Promoter									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	50	50	0.01%	-	50	50	0.01%	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	979,940	979,940	98.98%	-	979,940	979,940	98.98%	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	979,990	979,990	98.99%	-	979,990	979,990	98.99%	0.00%
Total Non Promoters Shareholding (B)=(B)(1)+(B)(2)	-	979,990	979,990	98.99%	-	979,990	979,990	98.99%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	990,000	990,000	100%	-	990,000	990,000	100%	0.00%

ii **Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SHIV KUMAR DIDWANIA	10	0.00%	-	10	0.00%	-	-
2	SITARAM PANSARI	10,000	1.01%	-	10,000	1.01%	-	-
	TOTAL	10,010	1.01%	-	10,010	1.01%	-	-

iii **Change in Promoters' Shareholding:** There is no change in shareholding of promoters during the year

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1 SNEHA KHAITAN				
At the beginning of the year	45,000	4.55%	45,000	4.55%
At the End of the year	45,000	4.55%	45,000	4.55%
2 SUNIL KUMAR KHAITAN				
At the beginning of the year	46,300	4.67%	46,300	4.67%
At the End of the year	46,300	4.67%	46,300	4.67%
3 ANJANA KHAITAN				
At the beginning of the year	46,300	4.68%	46,300	4.68%
At the End of the year	46,300	4.68%	46,300	4.68%
4 CHIRAG KHAITAN				
At the beginning of the year	49,000	4.95%	49,000	4.95%
At the End of the year	49,000	4.95%	49,000	4.95%
5 AJIT KUMAR KHAITAN				
At the beginning of the year	46,900	4.74%	46,900	4.74%
At the End of the year	46,900	4.74%	46,900	4.74%
6 PRIYAL CHOWDHURY				
At the beginning of the year	49,280	4.98%	49,280	4.98%
At the End of the year	49,280	4.98%	49,280	4.98%
7 BHAIRAV DUTT KHAITAN & SONS HUF				
At the beginning of the year	45,550	4.60%	45,550	4.60%
At the End of the year	45,550	4.60%	45,550	4.60%
8 PRADEEP KUMAR KHAITAN				
At the beginning of the year	46,300	4.68%	46,300	4.68%
At the End of the year	46,300	4.68%	46,300	4.68%
9 ANKIT MURARKA				
At the beginning of the year	45,000	4.55%	45,000	4.55%
At the End of the year	45,000	4.55%	45,000	4.55%
10 NIDHI MURARKA				
At the beginning of the year	45,000	4.55%	45,000	4.55%
At the End of the year	45,000	4.55%	45,000	4.55%

Shareholding of Directors and Key Managerial Personnel:

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1 VINITA KHAITAN				
At the beginning of the year	41,600	4.20%	41,600	4.20%
At the End of the year	41,600	4.20%	41,600	4.20%
2 SURESH KUMAR MURARKA				
At the beginning of the year	45,000	4.55%	45,000	4.55%
At the End of the year	45,000	4.55%	45,000	4.55%

INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	-	1,500,000	-	1,500,000
ii) Interest due but not	-	7,894	-	7,894
iii) Interest accrued but	-	-	-	-
Total (i+ii+iii)	-	1,507,894	-	1,507,894
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
* Addition	-	5,316,513	-	5,316,513
* Reduction	-	3,357,697	-	3,357,697
Net Change	-	1,958,816	-	1,958,816
Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	-	3,466,710	-	3,466,710
ii) Interest due but not	-	186,101	-	186,101
iii) Interest accrued but	-	-	-	-
Total (i+ii+iii)	-	3,652,811	-	3,652,811

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration To Managing Director, Whole-Time Directors and/or Manager:

Vinita Khaitan Rs.1555667/-

B. Remuneration To Other Directors:

NIL

C. Remuneration To Key Managerial Personnel Other than MD/ Manager/ WTD

NIL

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

NIL



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 2021, 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 ("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:

- a) in the case of the Standalone Balance Sheet, of the state of affairs of the Company as at March 31, 2021;
- b) in the case of the Standalone Statement of Profit and Loss, of the Profit 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.

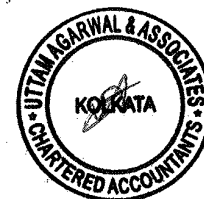
Key Audit Matters

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

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, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 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, and the Statement of Profit and Loss including other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the relevant 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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 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.

UDIN :21307455AAAAEQ1106
Place : Kolkata
Dated :24th Day of August 2021

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

Gaurav Agarwal
(Partner)
Membership No.307455



Annexure- A

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under the "Report on other Legal and Regulatory requirements" our report to the members of **PALI COMMERCIAL COMPANY LIMITED** ("the Company") on the financial statement for the year ended 31st March, 2021, 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:

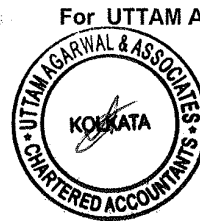
- (i) The company does not have any fixed assets as on Balance Sheet date. Hence, this clause is not applicable to the company.
- (ii) The Inventories of the Company mainly consists of Shares & Securities which are in dematerialized form. Hence physical verification of such Inventories of the Company is not possible. Thus Sub Clause (a) & (b) of clause (ii) of para 4 of the order is not applicable to such Inventories of the Company. However, some of the Shares & securities are in physical form which has been physically verified by the management. Further, proper records of Inventories have been maintained by the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (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 and records examined by us, the company is generally depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable;



Annexure- A

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during course of our audit.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Paragraph 3(xii) of the order is not applicable since the Company is not the Nidhi Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based on the information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) The Company being a NBFC has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.

UDIN :21307455AAAAEO1106
Place : Kolkata
Dated :24th Day of August 2021



Chartered Accountants
Firm Reg. No.322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No.307455

Annexure-B

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

We have audited the internal financial controls over financial reporting of **PALI COMMERCIAL COMPANY LIMITED** ("the company") as of 31st March, 2021 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 2021, 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:21307455AAAAEO1106
Place : Kolkata
Dated :24th Day of August 2021



For UTTAM AGARWAL & ASSOCIATES

Chartered Accountants
Firm Reg. No.322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No.307455

PALI COMMERCIAL COMPANY LIMITED
Balance Sheet as at 31st March, 2021

(Amount In Rs.)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<u>ASSETS</u>			
Non-current assets			
(a) Financial assets			
(i) Investments	3	44,914,857	24,737,402
(b) Deferred tax assets	4	84,341	98,315
(c) Income tax assets (net)	5	384,519	204,586
Total non-current assets		45,383,716	25,040,303
Current assets			
(a) Inventories	6	85,452	85,452
(b) Financial assets			
(i) Loans	7	-	-
(ii) Cash and cash equivalents	8	567,425	171,984
(iii) Other bank balances other than (ii) above	9	363,119	340,313
(c) Other current assets	10	13,000	258,100
Total current assets		1,028,996	855,849
TOTAL ASSETS		46,412,714	25,896,152
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
(a) Equity share capital	11	9,900,000	9,900,000
(b) Other equity	12	31,181,391	12,572,235
Total equity		41,081,391	22,472,235
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	13	3,652,811	1,507,894
(b) Long term provisions	14	323,653	377,308
		3,976,464	1,885,202
CURRENT LIABILITIES			
(a) Other current liabilities	15	759,469	1,538,715
(b) Current tax liability	16	595,390	-
Total current liabilities		1,354,859	1,538,715
TOTAL EQUITY & LIABILITIES		46,412,714	25,896,152

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1 to 36

As per our report of even date

For and on Behalf of Board

For **UTTAM AGARWAL & ASSOCIATES**

Chartered Accountants.
FRN: 322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No. :307455
UDIN: 21307455AAAAEO1106
72, Cotton Street, Kolkata - 700 007
Dated this: 24th day of August, 2021



Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Suresh Kumar Murarka
SURESH KUMAR MURARKA
(DIN 02130810)

PALI COMMERCIAL COMPANY LIMITED

Statement of Profit and loss for the year ended 31.03.2021

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<u>INCOME :</u>			
Revenue from operation	17	3,109,708	1,458,355
Other income	18	3,760,023	1,844,508
Total Income		6,869,731	3,302,863
<u>EXPENSES :</u>			
Change in inventory	19	-	-
Employee benefits expense	20	2,416,042	2,090,958
Finance cost	21	474,775	8,581
Other expenses	22	414,013	364,343
Total Expenses		3,304,830	2,463,882
Profit before exceptional items and tax		3,564,901	838,981
Exceptional items		-	-
Profit before and tax		3,564,901	838,981
Tax expenses:	23		
(1) Current tax		595,390	9,700
(2) Income tax adjustment		-	58,201
(3) Deferred tax adjustment		13,975	-2,221
Profit for the year		2,955,536	773,301
Other Comprehensive Income:			
(1) Fair value gain on Equity instrument through other comprehensive income		15,653,620	-8,948,111
Tax Effect on above			
Other Comprehensive Income for the year, net of tax		15,653,620	-8,948,111
Total comprehensive income for the year		18,609,156	-8,174,810
Earnings per equity share:			
(1) Basic	24	2.99	0.78
(2) Diluted		2.99	0.78

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON FINANCIAL STATEMENTS

1 to 36

As per our report of even date attached.

For and on Behalf of Board

For **UTTAM AGARWAL & ASSOCIATES**

Chartered Accountants.

FRN: 322455E

Gaurav Agarwal

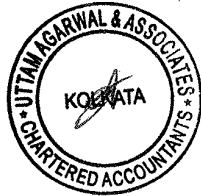
Gaurav Agarwal
(Partner)

Membership No. :307455

UDIN: 21307455AAAAEO1106

72, Cotton Street, Kolkata - 700 007

Dated this: 24th day of August, 2021



Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Suresh Kumar Murarka

SURESH KUMAR MURARKA
(DIN 02130810)

PALI COMMERCIAL COMPANY LIMITED

Statement of changes in equity for the year ended 31.03.2021

A. Equity share capital

Opening balance as at 1 Apr 2019	Changes in equity share capital during the year 2019-20	Closing balance as at 31 Mar 2020	Changes in equity share capital during the year 2020-21	Closing balance as at 31 Mar 2021
9,900,000	-	9,900,000	-	9,900,000

B. Other Equity

	Reserve and Surplus			Other Comprehensive	Total
	General Reserve	Other reserve(RBI)	Retained Earnings		
Balance as on 1st April 2019	33,000	3,026,064	10,336,227	7,351,754	20,747,045
Profit during the year		154,660	773,301		927,961
Other comprehensive Income for the Year	-		-	-8,948,111	-8,948,111
Transfer to RBI reserve			-154,660		-154,660
Dividends	-		-	-	-
Tax on dividends	-		-	-	-
Balance as on 31st March 2020	33,000	3,180,724	10,954,868	-1,596,357	12,572,235
Profit during the year	-	591,107	2,955,536		3,546,643
Other comprehensive Income for the Year	-		-	15,653,620	15,653,620
Transfer to RBI reserve			-591,107		-591,107
Dividends	-		-	-	-
Tax on dividends	-		-	-	-
Balance as on 31st March 2021	33,000	3,771,831	13,319,297	14,057,263	31,181,391

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

1 to 36

As per our report of even date attached.

For UTTAM AGARWAL & ASSOCIATES

Chartered Accountants.
FRN: 322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No. :307455
UDIN: 21307455AAAAEO1106
72, Cotton Street, Kolkata - 700 007
Dated this: 24th day of August, 2021



For and on Behalf of Board

Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Suresh Kumar Murarka
SURESH KUMAR MURARKA
(DIN 02130810)

PALI COMMERCIAL COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2021

PARTICULARS	As at 31st March, 2021		As at 31st March, 2020	
	₹		₹	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		3,564,901		838,981
ADJUSTMENT FOR				
Provision for gratuity	8,653		8,653	
Statutory Provision for Standard Assets	-		-	
(Profit)/ Loss on sale of Investment	(2,553,054)		(640,382)	
Dividend Received	(533,848)		(785,480)	
Interest on IT refund	-	(3,078,249)	(3,839)	(1,421,048)
		486,652		(582,067)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
ADJUSTED FOR:				
Change in long term provision	(62,308)		-	
Other Current Assets	245,100		1,587,004	
Other current liabilities	(779,246)	(596,454)	1,274,002	2,861,006
CASH GENERATED FROM OPERATIONS		(109,802)		2,278,939
NET CASH FROM OPERATING ACTIVITIES BEFORE TAXES PAID		(109,802)		2,278,939
Taxes Paid During The Year		179,933		92,697
NET CASH FROM OPERATING ACTIVITIES (A)		(289,735)		2,186,242
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition on Non-current investment	(15,575,694)		(8,385,639)	
Sale of Non-current investment	13,604,911		3,933,359	
Dividend received	533,848	(1,436,935)	785,480	(3,666,800)
NET CASH USED IN INVESTING ACTIVITIES (B)		(1,436,935)		(3,666,800)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of loans	-		-	
Proceeds from Short Term Borrowings	2,144,917	2,144,917	1,507,894	1,507,894
NET CASH USED IN FINANCING ACTIVITIES (C)		2,144,917		1,507,894
D. NET (DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)		418,247		27,336
NET INCREASED / (DECREASED) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS AS AT 1-04-2020(01-04-2019)		512,297		484,961
LESS: CASH AND CASH EQUIVALENTS AS AT 31-03-2021 (31-03-2020)		930,544		512,297
		418,247		27,336

Note:-

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

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

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

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

For UTTAM AGARWAL & ASSOCIATES

Chartered Accountants.
FRN: 322455E

Gaurav Agarwal
Gaurav Agarwal
(Partner)

Membership No. :307455
UDIN: 21307455AAAAEO1106
72, Cotton Street, Kolkata - 700 007
Dated this: 24th day of August, 2021



For and on Behalf of Board

Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Suresh Kumar Murarka
SURESH KUMAR MURARKA
(DIN 02130810)

PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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 value, 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;

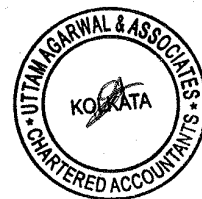
(iii) Current versus non-current classification

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 realisation 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, 2021

- (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 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

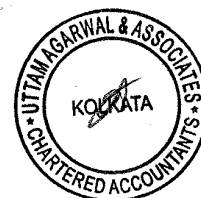
Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual 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 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, 2021

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:

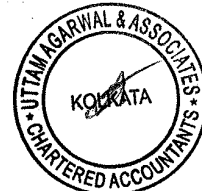
Description of Asset	Estimated useful lives
Buildings	30 years
Computers and Printers, including Computer Peripherals (including server and networking)	3 -6 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Motor Vehicles (including busses and trucks)	8-20 years
Plant and Machinery	15-20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



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

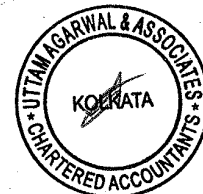
b) Subsequent measurement

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:

- 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, 2021

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.

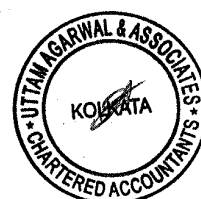
In addition, the Company may elect to designate a financial instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The 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, 2021

- 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 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



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

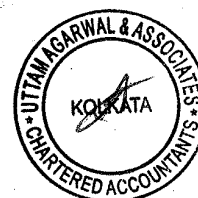
The measurement of financial liabilities depends on their classification, as described below:

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, 2021

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, 2021

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, 2021

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.

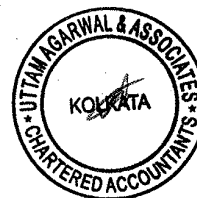
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on 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, 2021

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

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

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

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

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

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

N. Earnings Per Share

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

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

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

O. Cash and Cash Equivalents

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

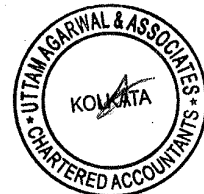


PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 3

<i>Non-Current Investments</i>	<i>As at 31st March,2021</i>	<i>As at 31st March,2020</i>
Trade Investments		
<u>Investment in Equity Instruments - Quoted fully paid up</u>		
<u>Aarti Industries Limited</u> 500 (988) Equity Shares of Rs 5/- fully paid up	13,074	25,835
<u>Aarti Drugs Limited</u> 400 (0) Equity Shares of Rs 10/- fully paid up	325,471	-
<u>Aarti Surfacants Ltd</u> 49(49) Equity Shares of Rs 10/- fully paid up	-	-
<u>Abbot India Limited</u> 20 (0) Equity Shares of Rs 10/- fully paid up	340,979	-
<u>Akzo Nobel India Ltd</u> 250 (0) Equity Shares of Rs 10/- fully paid up	552,222	-
<u>Asahi Songwon Colors Limited</u> 1000(922) Equity Shares of Rs.10/- each fully paid up	126,207	115,035
<u>Automotive Axles Limited</u> 400 (400) Equity Shares of Rs 10/- each fully paid up	497,909	497,909
<u>Axis Bank Ltd</u> 250 (1000) Equity Shares of Rs 2/- each fully paid up	81,535	326,141
<u>Balrampur Chini Mills Ltd</u> 0 (2000) Equity Shares of Rs 1/- each fully paid up	-	178,886
<u>Bank of Baroda</u> 3000 (0) Equity Shares of Rs 2/- each fully paid up	236,964	-
<u>Bells Controls Limited.</u> 10 (10) Equity Shares of Rs 10/- each fully paid up	100	100
<u>Berger Paints Limited</u> 1000 (1000) shares of Rs 1/- each fully paid up	266,979	266,979
<u>Edayar Zinc Ltd (Binani Zinc)</u> 115 (115) Equity Shares of Rs 10/- fully paid up	-	-
<u>Bharat Petroleum Corporation Limited</u> 300 (300) Bonus Equity Shares of Rs 10/- each fully paid up 1000 (1000) Equity Shares of Rs 10/- each fully paid up	521,958	521,958
<u>Bharat Electronics Limited</u> 0 (2000) Equity Shares of Rs. 1/- each fully paid up	-	272,941
<u>Bharat Forge Limited</u> 0 (300) Bonus Equity Shares of Rs 2/- each fully paidup	-	-
<u>Bharti Airtel Ltd</u> 1000 (0) Equity Shares of Rs 5/- each fully paidup	564,094	-
<u>Bhansali Engg Polymer Ltd</u> 4000 (0) Equity Shares of Rs 1/- each fully paidup	426,681	-
<u>BPL Engineering Limited.</u> 1500(1500) Equity Shares of Rs 10/- each fully paid up	6,694	6,694



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 3

<i>Non-Current Investments</i>	<i>As at 31st March, 2021</i>	<i>As at 31st March, 2020</i>
Trade Investments		
<u>Investment in Equity Instruments - Quoted fully paid up</u>		
<u>Canfin Homes Limited</u> 1750 (1500) Equity Shares of Rs 2/- each fully paid up	242,917	152,391
<u>CDSL LTD</u> 70 (500) Equity Shares of Rs 10/- each fully paid up	16,744	119,597
<u>Chennai Petroleum Corporation Limited</u> 8000 (4000) Equity Shares of Rs 10/- each fully paid up	1,465,586	1,022,236
<u>Carborundum Universal Limited</u> 400 (400) Equity Shares of Rs 1/- each fully paid up	42,654	42,654
<u>Care Ratings Ltd</u> 1100 (0) Equity Shares of Rs 10/- each fully paid up	459,732	-
<u>Core HealthCare Limited</u> 2299 (2299) Equity Shares of Rs 10/- each fully paid up	34,488	34,488
<u>FDC Ltd</u> 1347(1347) Equity Shares of Rs. 1/- each fully paid up	309,486	309,486
<u>GIC Housing Finance Limited</u> 2000(2000) Equity Shares of Rs. 10/- each fully paid up	589,563	589,563
<u>Godfry Philips Ltd</u> 300(300) Equity Shares of Rs. 2/- each fully paid up	417,043	417,043
<u>Granules India Ltd</u> 2000(4000) Equity Shares of Rs. 1/- each fully paid up	217,415	434,829
<u>GNFC Limited</u> 2000 (2000) Equity Shares of Rs 10/- each fully paid up	503,491	503,491
<u>Gujarat Flourochem Ltd</u> 1000 (0) Equity Shares of Rs 1/- each fully paid up	419,799	-
<u>GRASIM Limited</u> 800 (400) Equity Shares of Rs 2/- each fully paid up	825,085	508,366
<u>GLAXO Pharma</u> 200 (Nil) Equity Shares of Rs 10/- each fully paid up 200 (Nil) Bonus Equity Shares	565,280	565,280
<u>HPCL</u> 2250 (2250) Bonus Equity Shares of Rs 10/- fully paid up	-	-
<u>HDFC Bank Limited.</u> 500 (500) Equity Shares of Rs. 2/- each fully paid up	230,932	230,933
<u>HDFC Life Insurance Ltd</u> 1000 (1000) Equity Shares of Rs. 1/- each fully paid up	435,870	435,870
<u>Himmatsinghka Scide Ltd</u> 4000 (0) Equity Shares of Rs. 5/- each fully paid up	563,654	-
<u>Hinduja Global solutions Limited</u> 550 (550) Equity Shares of Rs. 10/- each fully paid up	277,084	277,084



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

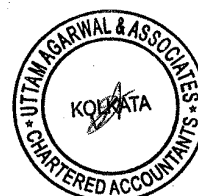
NOTE 3

<i>Non-Current Investments</i>	<i>As at 31st March, 2021</i>	<i>As at 31st March, 2020</i>
Trade Investments		
<u>Investment in Equity Instruments - Quoted fully paid up</u>		
<u>HSIL</u> 4000 (0) Equity Shares of Rs. 2/- each fully paid up	584,919	-
<u>Insecticides (India) Limited</u> 0 (150) Equity Shares of Rs. 10/- each fully paid up 0(75) Bonus Equity Shares	-	64,816
<u>Infosys Limited</u> 25 (25) Equity Shares of Rs.5/- each fully paid up 25(25) Bonus Equity Shares	23,131	23,131
<u>Indian Oil Corporation Limited</u> 4212 (4212) Equity Shares of Rs 10/- each fully paid up 2800 (2800) Bonus Equity Shares	1,154,891	1,154,891
<u>INE Styrolution ABS (India) Limited</u> 800 (300) Equity Shares of Rs. 10/- each fully paid up	776,138	278,112
<u>ICICI Bank Limited</u> 1100 (1900) Equity Shares of Rs 2/- each fully paid up 200 (200) Bonus Equity Shares	315,918	592,600
<u>ICICI Securities Ltd</u> 1000 (0) Equity Shares of Rs 5/- each fully paid up	416,797	-
<u>IG Petrochemicals Ltd</u> 1000 (0) Equity Shares of Rs 10/- each fully paid up	446,413	-
<u>IPCA Laboratories Ltd</u> 90 (200) Equity Shares of Rs 2/- each fully paid up	100,157	222,572
<u>JK Paper Limited</u> 0(5000) Equity Shares of Rs 10/- each fully paid up	-	574,432
<u>Kalyani Steels Limited</u> 1000 (1000) Equity Shares of Rs 5/- each fully paid up	371,696	371,696
<u>ITC Limited</u> 3100 (100) Equity Shares of Rs 1/- each fully paid up 200 (200) Bonus Equity Shares	735,986	735,986
<u>Kansai Nerolac Paints Limited</u> 2000 (2000) Equity Shares of Rs 1/- each fully paid up 2000 (2000) Bonus Equity Shares	94,560	94,560
<u>Larsen & Toubro Limited</u> 50 (50) Equity Shares of Rs 2/- each fully paid up 62 (62) Bonus Equity Shares	67,634	67,634
<u>LIC Housing Finance Limited</u> 250 (250) Equity Shares of Rs 2/- each fully paid up	49,027	49,028



NOTES ON FINANCIAL STATEMENTS**NOTE 3**

<i>Non-Current Investments</i>	<i>As at 31st March, 2021</i>	<i>As at 31st March, 2020</i>
Trade Investments		
<u>Investment in Equity Instruments - Quoted fully paid up</u>		
<u>Maruti Suzuki India Limited</u> 75 (50) Equity Shares of Rs. 5/- each fully paid up	323,974	171,036
<u>Mishra Dhatu Ltd</u> 0 (2000) Equity Shares of Rs. 10/- each fully paid up	-	323,348
<u>Maars Software International Limited</u> 54545 (54545) Equity Shares of Rs 10/- each fully paid up	104,153	104,153
<u>Meghmani Organics Ltd</u> 0 (5000) Equity Shares of Rs 1/- each fully paid up	-	342,049
<u>Mahendra and Mahendra Limited</u> 0 (200) Equity Shares of Rs 5/- each fully paid up 0 (200) Bonus Shares	-	498,459
<u>Procter & Gamble Health Ltd (Merck Limited)</u> 305 (305) Equity Shares of Rs. 10/- each fully paid up	227,289	227,289
<u>Munjial Auto Industries Limited</u> 4000 (4000) Equity Shares of Rs 2/- each fully paid up 4000(4000) Bonus Shares	31,602	31,602
<u>Mannapuram Finance Limited</u> 8000 (8000) Equity Shares of Rs 2/- each fully paid up	226,374	226,374
<u>Max Financial Services Ltd</u> 250 (0) Equity Shares of Rs 2/- each fully paid up	119,445	.
<u>Moil Limited</u> 0 (1881) Equity Shares of Rs 10/- each fully paid up/ 0(1881) Bonus Equity Shares		569,931
<u>MTZ (India) Limited</u> 900 (900) Equity Shares of Rs 10/- each fully paid up	2,243	2,243
<u>Munjial Showa Limited</u> 800 (800) Equity Shares of Rs 2/- each fully paid up	48,160	48,160
<u>Nestle India Limited</u> 55 (55) Equity Shares of Rs 10/- each fully paid up	360,762	360,762
<u>National Aluminium Ltd</u> 10000 (10000) Equity Shares of Rs 5/- each fully paid up	618,980	618,980
<u>Natco Pharma Ltd</u> 500 (0) Equity Shares of Rs 2/- each fully paid up	423,780	
<u>NMDC Limited.</u> 7200 (8000) Equity Shares of Rs.1/- each fully paid up	840,677	989,715
<u>NCL India Ltd</u> 0 (8000) Equity Shares of Rs.10/- each fully paid up		445,897
<u>Oberoi Realty</u> 200(0) Equity Shares of Rs.10/- each fully paid up	60,911	

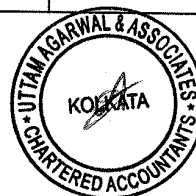


PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

NOTE 3

<i>Non-Current Investments</i>	<i>As at 31st March, 2021</i>	<i>As at 31st March, 2020</i>
Trade Investments		
<u>Investment in Equity Instruments - Quoted fully paid up</u>		
<u>Precision Wires India Limited</u>		
200 (200) Equity Shares of Rs 5/- each fully paid up	11,730	11,731
<u>PRISM Johnson Limited</u>		
7200 (8000) Equity Shares of Rs 10/- each fully paid up	826,151	944,550
<u>Philips Carbon Black Ltd</u>		
4000 (0) Equity Shares of Rs 2/- each fully paid up	486,490	-
<u>Pfizer Ltd</u>		
100 (0) Equity Shares of Rs 10/- each fully paid up	519,390	-
<u>PIDILITE Limited</u>		
140 (400) Equity Shares of Rs 1/- each fully paid up	125,470	358,487
<u>Punjab National Bank</u>		
6000 (0) Equity Shares of Rs 2/- each fully paid up	239,819	-
<u>Raymonds Ltd</u>		
0 (500) Equity Shares of Rs 10/- each fully paid up	-	220,382
<u>Ram Ratna Wires Limited</u>		
200 (200) Equity Shares of Rs 5/- each fully paid up	2,772	2,772
<u>Reliance Industries Limited</u>		
400 (400) Equity Shares of Rs 10/- each fully paid up	500,215	500,215
400 (400) Bonus Equity Shares	-	-
<u>Sirpur Paper Mills Limited</u>		
1000 (1000) Equity Shares of Rs 10/- each fully paid up	90,000	90,000
<u>Spartek Ceramics Limited</u>		
7449 (7449) Equity Shares of Rs 10/- each fully paid up	63,664	63,664
<u>Sail</u>		
8000(0) Equity Shares of Rs 10/- each fully paid up	544,377	-
<u>SBI</u>		
1000(0) Equity Shares of Rs 1/- each fully paid up	195,955	0
<u>Supreme Petrochem Limited</u>		
0(1000) Equity Shares of Rs 10/- each fully paid up	-	26,177
<u>Sunpharma Ltd</u>		
0 (500) Equity Shares of Rs 1/- each fully paid up	-	229,838
<u>Tata Chemicals Limited</u>		
0(1000) Equity Shares of Rs 10/- each fully paid up	-	282,300
<u>Tata Motors Limited</u>		
3000 (6000) Equity Shares of Rs 2/- each fully paid up	389,474	1,295,539
<u>Tata Metalik Ltd</u>		
800 (0) Equity Shares of Rs 10/- each fully paid up	512,831	-
<u>Tech Mahindra Ltd.</u>		
0 (138) Equity shares of Rs.5/- each fully paid up	-	113,884



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 3

<u>Non-Current Financial Assets - Investments</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
Trade Investments : Other Companies		
<u>In Equity Shares (Quoted fully paid up)(other)</u>		
As per annexure	43,244,857	23,067,402
Non-Trade Investments : Other Companies		
<u>In Equity Shares (Unquoted fully paid up)(other)</u>		
<u>KWW Electricals Pvt Limited</u>		
55000 (55000) Equity Shares of Rs 10/- each fully paid up	220,000	220,000
<u>Khaitan Winding Wire Private Limited</u>		
29000 (29000) Equity Shares of Rs.10/- each fully paid up	1,450,000	1,450,000
Total	44,914,857	24,737,402

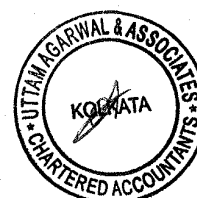
NOTE 4 Deferred tax assets

The major components of deferred tax (Liabilities) /Assets as recognized in the financial statements are as follows:

<u>Other non-current assets</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
<u>Deferred Tax Assets / (Liabilities) arising on account of timing differences in:</u>		
Diferrence in tx depreciation and depreciation/amortisation for financial reporting purpose	191	215
Expense charged to P & L in current year, but allowed for tax on payment basis	84,150	98,100
Deferred Tax Assets/(Liabilities) (net)	84,341	98,315

Movement in Deferred Tax Assets/(Liabilities)

<u>Particulars</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
As at April 01, 2019	96,095	96,095
Charged/ (Credited):		
To Profit or Loss	2,220	2,220
To Other Comprehensive Income		
As at March 31, 2020	98,315	98,315
Charged/ (Credited):		
To Profit or Loss	-13,974	-
To Other Comprehensive Income		
As at March 31, 2021	84,341	98,315



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 5

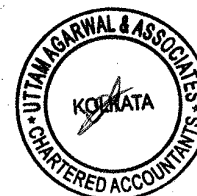
<u>Income tax assets(net)</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
TDS & Self asst tax (net of provisions)	302,821	122,888
Income tax paid(under appeal)	81,698	81,698
	384,519	204,586

NOTE 6

<u>Inventories</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
Shares and Securities :		
Investment carried at Fair Value through Profit or Loss Account (FVTPL)		
1000 Equity Shares of Cauvery Software Ltd	25,150	25,150
500 Equity Shares of CRB Corporation Ltd	925	925
500 Equity Shares of CRB Marketing Ltd	825	825
4000 Equity Shares of DSQ Software Ltd	931,431	931,431
1000 Equity Shares of Goodearth Organics Ltd	33,000	33,000
100 Equity Shares of Gujrat Optical Co Ltd	100	100
500 Equity Shares of Indo Biotech Foods Ltd	2,000	2,000
1500 Equity Shares of Motorola India Ltd	114,275	114,275
1000 Equity Shares of Marine Cargo Ltd	1,000	1,000
1000 Equity Shares of Pertech Computer Ltd	27,640	27,640
1000 Equity Shares of Sidh Global Trust Ltd	26,640	26,640
200 Equity Shares of Skyline NEPC Ltd	100	100
155 Bonus Equity Shares of Hind Engineering Ltd	-	-
492 Bonus Equity Shares of Kesoram Textile Ltd	-	-
Total Cost of Shares	1,163,086	1,163,086
Less: Diminution in value of shares (Excess of cost over market price of shares and securities)	1,077,634	1,077,634
Market price of Shares	85,452	85,452

NOTE 7

<u>Current Financial Assets - Loan</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
Unsecured, considered good To related party	-	-
Total	-	-



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 8

<u>Current Financial Assets - Cash and Cash Equivalents</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
a. Balances with scheduled banks in current accounts	460,501	90,649
b. Cash in hand	106,924	81,334
Total	567,425	171,984

NOTE 9

<u>Current Financial Assets - Other Bank Balances</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
Fixed Deposits with maturity period of more than 12 month.	363,119	340,313
Total	363,119	340,313

NOTE 10

<u>Other current assets</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
Advance to staff	10,000	34,100
Security deposit	3,000	3,000
Amount receivables	-	221,000
Total	13,000	258,100



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 11

<u>Share capital</u>	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Authorised 9,90,000 Equity shares of Rs 10/- each	9,900,000	9,900,000
Issued, subscribed & paid up 9,90,000 equity shares of Rs 10/- each fully paid in cash	9,900,000	9,900,000
Total	9,900,000	9,900,000

NOTE 11.1

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

<u>Particulars</u>	Equity shares(31.03.2021)		Equity shares(31.03.2020)	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	990,000	9,900,000	990,000	9,900,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	990,000	9,900,000	990,000	9,900,000

NOTE 11.2

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

NOTE 11.3

The details of Shareholders holding more than 5% shares:

<u>Name of the shareholders</u>	As at 31st March 2021		As at 31st March 2020	
	No. of shares	% held	No. of shares	% held
Ajit Kumar Khaitan	186,900	18.88%	186,900	18.88%
Udita Khaitan	191,350	19.33%	191,350	19.33%
Sneha Khaitan	235,000	23.74%	235,000	23.74%
Pallavi Khaitan	205,850	20.79%	205,850	20.79%

NOTE 11.4

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

NOTE 11.5

During any of the last five years from year ended 31st March, 2021

- 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 11.6

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



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 12

<u>Other equity</u>	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
(i) General Reserve		
Balance as per last financial statement	33,000	33,000
Add: During the year	-	-
Net security premium account (A)	33,000	33,000
(ii) Other Reserves (Reserve Fund in terms of Section 45IC of the RBI Act, 1934)		
Balance as per last financial statement	3,180,724	3,026,064
Add: During the year	591,107	154,660
Closing balance (A)	3,771,831	3,180,724
(iii) Surplus in the statement of profit & loss		
Balance as per last financial statement	10,954,868	10,336,227
Add: Profit for the year	2,955,536	773,301
Less: appropriations-transfer to RBI reserve fund	-591,107	-154,660
Net surplus in the statement of profit and loss (B)	13,319,297	10,954,868
(iii) Other Comprehensive Income		
Balance as at the beginning of the year	-1,596,357	7,351,754
Add: Gain/(loss) for the year	15,653,620	-8,948,111
Balance as at the end of the year	14,057,263	-1,596,357
Total(A+B)	31,181,391	12,572,235

NOTE 13

<u>Non - Current Financial Liabilities - Borrowings</u>	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Unsecured loan, considered good from directors	3,652,811	1,507,894
Total	3,652,811	1,507,894

NOTE 14

<u>Long term provisions</u>	As at 31st March, 2021	As at 31st March, 2020
	₹	₹
Provision for employees benefit Gratuity (Funded through Fixed Deposits with Banks)	323,653	377,308
Total	323,653	377,308



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 15

<u>Other current liabilities</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
Liabilities for expense	368,744	260,204
Statutory payable		
P Tax Payable	550	550
Providend fund payable	7,456	1,919
TDS Payable	28,449	40,687
Other Liability		
Rajeev Jhunjunwala Client A/c	354,270	1,235,355
Total	759,469	1,538,715

NOTE 16

<u>Current tax liability</u>	As at 31st March,2021	As at 31st March,2020
	₹	₹
Provision for income tax	595,390	-
Total	595,390	-



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2021

NOTE 17

<u>Revenue from operation</u>	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Interest Income (Refer Note 17A)	22,806	32,493
Capital Gain on sale of Investment	2,553,054	640,382
Dividend Income	533,848	785,480
Total	3,109,708	1,458,355

NOTE 17A

<u>Interest Income</u>	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Interest income on fixed deposits	22,806	21,787
Interest on IT refund	-	3,839
Interest income on loan	-	6,867
Total	22,806	32,493

NOTE 18

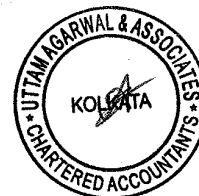
<u>Other income</u>	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Commission received (TDS : current year 140,225/-, previous year 92,011/-)	3,739,326	1,840,223
Sundry Balance w/o	20,697	4,285
Total	3,760,023	1,844,508

NOTE 19

<u>Change in inventories</u>	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Shares & Securities		
At the beginning of the period	85,452	85,452
At the end of the period	85,452	85,452
Total	-	-

NOTE 20

<u>Employee benefits expense</u>	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Attendance Allowance	17,366	27,211
Bonus	8,956	18,169
Contribution to Provident Fund	19,367	28,985
Child Education Allowance	52,969	75,922
Directors Remuneration	1,555,667	1,406,000
House Rent Allowance	46,856	67,204
Leave Salary	8,523	-
House Rent for directors	375,000	-
Provision for Gratuity	8,653	8,654
Salaries	216,552	319,981
Staff Welfare Expenses	28,902	30,704
Tiffin Allowance	36,810	52,801
Washing Allowance	40,421	55,327
Total	2,416,042	2,090,958



PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2021

NOTE 21

<u>Finance cost</u>	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Interest on unsecured loan	474,775	8,581
Total	474,775	8,581

NOTE 22

<u>Other expenses</u>	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Administrative, selling and other expenses		
Auditor's Remunerations	16,520	16,520
Bank Charges	1,189	48
Computer Expenses	738	21,713
Conveyance Expenses	14,240	14,330
Demat Charges	5,632	1,762
Electricity Charges	24,501	300
Filing Fees	10,500	9,000
General Expenses	14,148	16,439
Meeting Fees	8,000	8,000
Membership & Subscription	6,000	6,000
Office Maintenance	37,431	9,576
Printing & Stationery	10,090	8,250
Professional Tax (Company)	2,500	2,500
Professional & Legal Expenses	101,550	146,709
Postage & Stamp	5,710	-
Rates & Taxes	4,113	4,113
Retainership Fees	53,001	933
Rent	96,000	96,000
Statutory Provision for Standard Assets	-	-
Trade Licence fees	2,150	2,150
Total	414,013	364,343

NOTE 23

<u>Tax expense</u>	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Rs.	Rs.
(a) Current Tax		
Provision for Income Tax	595,390	9,700
Income Tax adjustment	-	58,201
(b) Deferred Tax	13,974	0
Balance debited to P/L A/c.	609,364	67,901

NOTE 24

<u>Earning per share</u>	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Numerator used for Calculating basic and diluted Earning Per Share - Profit After Taxation	2,955,536	773,301
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	2.99	0.78

NOTE 25

<u>Payment to auditor as</u>	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹	₹
Statutory Audit Fee	16,520	16,520
Total	16,520	16,520



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 26 : Financial Assets at Amortised Cost Method

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

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Non-Current Financial Assets		
Investments in Shares	1,670,000	1,670,000
Current Financial Assets		
Loans	-	-
Cash and cash equivalents	567,425	171,984
Other Bank Balances other than above	363,119	340,313
Total	2,600,544	2,182,297

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 Rs.)	
	As at March 31, 2021	As at March 31, 2020
Non Current Financial Liabilities		
Loan	3,652,811	1,507,894
Total	3,652,811	1,507,894

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 Profit or Loss

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

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Non Current Financial Assets		
Investments in Shares	43,244,857	23,067,402
Total	43,244,857	23,067,402

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 :



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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, 2021 and March 31, 2020 is the carrying amounts as stated in balance sheet except for balances of subsidiary company.

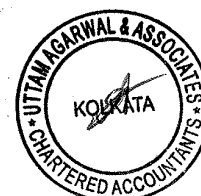
Liquidity Risk

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, 2021, March 31, 2020 and April 1, 2019:

Particulars	(Amount in Rs.)				
	Less than 3 Months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2020					
Unsecured Loans	-	-	3,652,811	-	3,652,811
Trade Payables	-	-	-	-	-
Year ended March 31, 2019					
Unsecured Loans	-	-	-	-	-
Trade Payables	-	-	-	-	-
Year ended April 1, 2018					
Unsecured Loans	-	-	-	-	-
Trade Payables	-	-	-	-	-



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

Note 30 : Capital Management

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

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

		(Amount in Rs.)	
Particulars		March 31, 2021	31-Mar-20
A) Net Debt			
Borrowings (Current and Non-Current)		3,652,811	-
	Net Debt (A)	3,652,811	-
B) Equity			
Equity share capital		9,900,000	9,900,000
Other Equity		31,181,391	12,572,235
	Total Equity (B)	41,081,391	22,472,235
Gearing Ratio (Net Debt / Capital) i.e. (A / B)		8.89	-

Note 31 : Contingent Liabilities not Provided for:

		(Amount in Rs.)	
Particulars		March 31, 2021	31-Mar-20
(a)			
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)
Company in which KMP / Relatives of KMP can exercise significant influence	Khaitan Enterprise

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



PALI COMMERCIAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(ii) Details of Related Party transactions during the year ended March 31, 2021

Particulars	(Amount In Rs)	
	As at March 31, 2021	As at March 31, 2020
Loan taken		
Vinita Khaitan	3,615,000	400,000
Suresh Kumar Murarka	1,450,000	1,100,000
Loan taken returned		
Vinita Khaitan	3,100,000	-
Loan Given		
Khaitan Enterprises	-	1,535,000
Loan Received Back		
Khaitan Enterprises	-	1,535,000

(iii) Closing Balances of the Related Parties

Particulars	(Amount In Rs)	
	Balances as at March 31, 2021	Balances as at March 31, 2020
Loan Taken		
Vinita Khaitan	1,102,811	401,710
Suresh Kumar Murarka	2,550,000	1,106,184
	3,652,811	1,507,894

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 : 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.

The accompanying notes are an integral part of these financial statements

For UTTAM AGARWAL & ASSOCIATES

Chartered Accountants.

FRN: 322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No. :307455

UDIN:21307455AAAAEO1106

72, Cotton Street, Kolkata - 700 007

Dated this: 24th day of August, 2021



For and on Behalf of Board

Vinita Khaitan
VINITA KHAITAN
(DIN 07168477)

Suresh Kumar Murarka
SURESH KUMAR MURARKA
(DIN 02130810)

PALI COMMERCIAL COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

Note 32 : Segment Information:

Information given in accordance with the requirements of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

INFORMATION ABOUT BUSINESS SEGMENT

Particulars	Dealing in Shares & Securities	Finance & Brokerage	Unallocated	Year Ended 31.03.2020
SEGMENT REVENUE				
Current Year	533,848	3,762,132	2,573,751	6,869,731
Previous Year	785,480	1,868,877	648,506	3,302,863
EXPENSES				
Current Year	224,303	2,015,789	1,064,739	3,304,830
Previous Year	583,117	1,391,788	488,977	2,463,882
RESULTS				
Segment Results	309,546	1,746,343	1,509,012	3,564,901
Previous Year	202,363	477,089	159,529	838,981
Income Tax	-	-	-	595,390
Previous Year	-	-	-	9,700
Deferred Tax	-	-	-	13,975
Previous Year	-	-	-	(2,221)
Income Tax Adjustment	-	-	-	-
Previous Year	-	-	-	58,201
Provision for FBT	-	-	-	-
Previous Year	-	-	-	-
Total Results	309,546	1,746,343	1,509,012	2,955,536
CAPITAL EMPLOYED				
Segment Assets	45,050,128	720,051	641,704	46,411,883
Previous Year	24,887,023	493,258	515,758	25,896,039
Segment Liabilities	-	3,652,811	1,083,122	4,735,933
Previous Year	-	1,507,894	1,916,023	3,423,917
CAPITAL EMPLOYED	45,050,128	-2,932,760	(441,418)	41,675,950

BUSINESS AND GEOGRAPHICAL & SEGMENT

i) Business Segments:

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

- Dealing in Shares & Securities and
- Finance & Brokerage

ii) Geographical Segments :

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

iii) Segment revenue and Expenses :

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

iv) Segment Capital Employed :

Segment Capital employed represents the net assets in that Segment.

v) Inter Segment transfer :

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

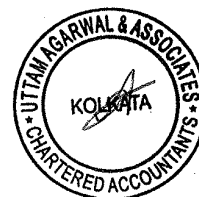


PALI COMMERCIAL COMPANY LIMITED

Annexure I of Note 36 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	432.45
	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
	1. Related Parties		
	a) Subsidiaries		
	b) Companies in the same group		
	c) Other related parties	Nil	Nil
	2. Other than related parties	Nil	Nil
	Total	Nil	Nil



PALI COMMERCIAL COMPANY LIMITED

Annexure I of Note 36 to the financial statement of a Non Banking Financial Company

7	Investors group-wise classification of all investments (Current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market value / Break up or fair value or NAV	Book Value (Net of Provision)
	1) Related parties		
	a) Subsidiaries		
	b) Companies in the same group	16.70	16.70
	c) Other related parties		
	2. Other than related parties	432.45	432.45
	Total	449.15	449.15
8	Other Information		Amount(Rs.)
	<u>Particulars</u>		
	i) <u>Gross Non-Performing Assets</u>		
	a) Related Parties		Nil
	b) Other than Related Parties		Nil
ii) <u>Net Non-Performing Assets</u>			
a) Related Parties		Nil	
b) Other than Related Parties		Nil	
iii) Assets acquired in satisfaction of debts			Nil

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1 to 36

As per our report of even date attached.

FOR UTTAM AGARWAL & ASSOCIATES

Chartered Accountants.

FRN 322455E

Gaurav Agarwal

Gaurav Agarwal
(Partner)

Membership No. :307455

UDIN: 21307455AAAAEO1106

72, Cotton Street, Kolkata - 700 007

Dated this: 24th day of August, 2021



DIRECTORS

Vinita Khaitan
VINITA KHAITAN
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Suresh Kumar Murarka
SURESH KUMAR MURARKA
(DIN 02130810)