

Annexure B

Report on Corporate Governance

1. Company's Philosophy

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

By harnessing ethical values with business acumen the executive functions of PSL is structured to institutionalize policies and practices that enhance the efficacy of the Board, Key Managerial Personnel and the Senior Management of the Company and inculcate a culture of accountability, transparency and integrity across the Company as a whole. PSL has a strong legacy of fair, transparent and ethical Governance practices and procedures and through these pages renews its commitment to uphold and nurture the core values of integrity, passion, responsibility, quality and respect in dealing with its customers, cane growers and other stakeholders of the Company. The other enablers for the Company are 'team work' and 'adherence' to professionalism.

PSL is also in compliance with the mandatory requirements of the guidelines on Corporate Governance stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

2. Board of Directors

- i. The Company has in all 6 Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 6 directors, 4 (66.67%) are Independent Directors. The composition of the Board is in conformity with the Listing Regulations. The Board is headed by the Non-Executive Chairperson Mrs. Shalini Nopany
- ii. During the year, Mr. Suresh Kumar Khanelia was appointed w.e.f. 7th February, 2020 as an Additional Director in the category of Non Executive Independent Director subject to approval of the shareholders at the ensuing Annual General Meeting of the Company to be held in 2020. Again, Mr. Bal Kishore Malpani, Non-Executive Director has resigned from the directorship of the Company vide his letter dated 3rd March, 2020. The Board records its appreciation for his unstinted support and counselling towards development of the Company while being in the office of Director.
- iii. The Independent Directors take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the meetings and do not have any other material or pecuniary relationship or transaction with the Company, its promoters, promoter group, its directors, management, subsidiaries or associates.
- iv. As per the disclosure received by the Company from the Directors, none of them is member in more than ten committees, nor as Chairman of more than five committees across all companies in which they are Directors, in compliance with Regulation 26 of SEBI (LODR) Regulations, 2015 as well as not have been debarred or disqualified from being appointed or continuing as director by SEBI/MCA or any other statutory authority. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time.
- v. The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Section 149(7) of the Companies Act, 2013 read with Regulation 25 of SEBI (LODR) Regulations, 2015. Independent Directors do not serve in more than 7 listed companies.
- vi. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.
- vii. The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.
- viii. The Independent Directors (IDs) met on 9th November, 2019 without the presence of the Chairperson, Managing Director, the Non-Executive Non-Independent Directors and the Management Team. The meeting was attended by Independent Directors in person and which enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the performance of non-independent directors, chairperson, co-chairperson and the Board as a

whole as well as the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Board is of the opinion that independent directors fulfill the conditions specified in the Listing Regulations as amended from time to time and are independent of the management.

- ix. The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company.: The Board's current Skills Matrix includes the following attributes

Description of Skills/Expertise/Competencies		Mrs Shalini Nopany	Mr Chand Bahari Patodia	Mr Dinesh Kacholia	Mr Chhedi Lal Agarwal	Mr Arun Kumar Newar	Mr Bal Kishore Malpani*	Mr Suresh Kumar Khan-delia#
Business	Understanding of Company's business dynamics across various geographical markets, industry verticals and regulatory	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Strategy and Planning	Ability to think strategically, identify and critically assess strategic opportunities and threats and develop effective strategies in the context of strategic objectives of the Company's policies and priorities	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance	Experience in developing governance practices, serving the best interest of all stakeholders, protecting shareholder interest, maintaining board and management accountability and driving corporate ethics and values.	Yes	Yes	Yes	Yes	Yes	Yes	Yes

*Resigned on 03.03.2020

#Appointed w.e.f 07.02.2020

Familiarisation Programme

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

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

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

Performance Evaluation

The Company had in place a policy on Performance Evaluation wherein it had laid down criteria for Performance Evaluation of the

Board (including Committees) and every Director (including Independent Directors and Chairperson) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations, 2015 covering inter-alia the following parameters namely:

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

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

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. This exercise was carried out through a structured questionnaire prepared separately for Individual Board Member and Board Committees based on the criteria per Policy on Performance Evaluation and in context of the Guidance note dated January 05, 2017 issued by SEBI.

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

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

Further, the Independent Directors hold unanimous opinion that the Non- Independent Directors including the Chairperson bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company. The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairperson has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity. All the Independent Directors have taken registration online with the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs, Manesar (Haryana) in accordance with the provisions of Section 150 of the Companies Act, 2013.

Board meetings

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Chairperson and other concerned persons in the senior management. The detailed agenda and other relevant notes are circulated to the Directors well in advance. All material back up information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

During the period under review Five (5) Board Meetings were held on 10th May, 2019, 12th August, 2019, 9th November, 2019, 7th February, 2020 and 3rd March, 2020 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships/ Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1) of SEBI (LODR) Regulations, 2015 held by them during the year 2019-20 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other Public companies (other than PSL)	No. of Chairmanship/ Membership of Board Committees in other Companies (other than PSL)		Names of the Listed Companies and Category of Directorship (other than PSL)		No. of Equity Shares held
					Chairman	Member	Name of the Company	Category	
Mrs Shalini Nopany (DIN- 00077299)	C/NED	3	No	5	-	1	SIL Investments Limited	NED	NIL
Mr Chand Bihari Patodia (DIN- 01389238)	MD	5	Yes	1	-	-	NIL	-	NIL
Mr Dinesh Kacholia (DIN - 07640666)	I/NED	2	No	-	-	-	NIL	-	NIL
Mr Chhedi Lal Agarwal (DIN - 07778603)	I/NED	5	Yes	4	-	2	Ganges Securities Limited	ID	NIL
Mr Arun Kumar Newar (DIN - 07778968)	I/NED	5	No	2	3	3	Ganges Securities Limited	ID	NIL
Mr Bal Kishore Malpani (DIN - 00209006) #	NED	2	No	-	-	-	NIL	-	NIL
Mr Suresh Kumar Khandelia## (DIN-00373797)	I/NED	0	No	3	-	-	NIL	-	NIL

upto 3rd March, 2020

appointed w.e.f 7th February, 2020

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

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

Committees of the Board

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

3. Audit Committee

i. Overall purpose/Objective

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

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

ii. Terms of Reference

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

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

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

iii. Composition and Meetings

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

4 (Four) meetings of the Audit Committee were held during the year 2019-20 viz. on 10th May, 2019, 12th August, 2019, 9th November, 2019 and 7th February, 2020 respectively. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by SEBI (LODR) Regulations, 2015, was present in all the meetings of the Audit Committee held during the year.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr. Chhedi Lal Agarwal	Chairperson	Independent Director	4
Mr. Dinesh Kacholia	Member	Independent Director	2
Mr. Arun Kumar Newar	Member	Independent Director	4
Mr. Chand Bihari Patodia	Member	Executive Director	4

4. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company was constituted on 30th March, 2017, in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

Terms of Reference:

The Stakeholders Relationship Committee oversees the redressal of complaints/grievances of investors such as transfer/transmission of shares, credit of shares to demat accounts, non-receipt of dividend/annual reports, approval of physical shares above 1000 shares, taking note of shares transferred in course of a quarter, status of dematerialized shares as on the end of each quarter, stock of blank stationery of share certificates as on the end of each quarter, shareholding pattern of the Company as on the end of each quarter and detail of investors' grievances pending as on the end of each quarter among others. It also approves issuance of duplicate shares and matters incidental thereto. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters.

Composition & Meetings:

The composition of the Stakeholders' Relationship Committee as on 31st March, 2020 is as follows:

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

During the period under review the Committee met four times on 4 (Four) on 10th May, 2019, 12th August, 2019, 9th November, 2019 and 7th February, 2020 respectively. The Committee is headed by Mr. Chhedi Lal Agarwal an Independent Director and Company Secretary is the Compliance Officer.

Attendance of the members at the meetings was as follows:

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

The Board of Directors have authorised the Secretary to approve transfers/ transmissions of shares in physical form upto 1000 shares. The transfers/ transmissions approved by the Secretary are periodically placed before the Committee.

The Company has in place a comprehensive Investor Grievance Redressal system prescribing the standards of shareholders' service & grievance redressal procedure and mechanism to be adhered to by the Registrar and Share Transfer Agents as well as by the Company. The shareholders can write to the Company at palashinvestors@birla-sugar.com on a day to day basis.

During the financial year ended 31st March, 2020, the Company received One complaint under SEBI Complaints Redress System (SCORES) which was resolved as on 31st March, 2020 and no complaints were pending as on 31st March, 2020.

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

5. Nomination and Remuneration Committee

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

i. Objectives:

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

ii. Terms of Reference:

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

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

iii. Composition and Meetings:

The Committee comprises of the following Directors:

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

During the period under review the Committee met 2 (Two) times on 10th May, 2019 and 7th February, 2020 respectively.

Attendance of the members at the meetings was as follows:

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

iv. Remuneration Policy:

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

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

v. Remuneration of Directors

Detail of remuneration paid to the Directors for the financial year 2019-20 is as below:

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

Sl. No.	Name of the Director	Amount (Rs.)
1	Mrs Shalini Nopany	15000/-
2	Mr. Chhedi Lal Agarwal	45000/-
3	Mr. Arun Kumar Newar	45000/-
4	Mr. Dinesh Kacholia	22500/-
5	Mr. Bal Kishore Malpani #	10000/-
6	Mr Suresh Kumar Khandelia*	Nil

#upto 03.03.2020

*appointed w.e.f 07.02.2020

The Non-Executive Directors may be paid remuneration by way of commission besides sitting fees, if approved by the Board, on the net profit of the Company at the rate not exceeding 1% of the net profit of the Company determined in accordance with the terms and provisions of Section 198 of the Companies Act, 2013.

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

6. Corporate Social Responsibility Committee

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

7. Subsidiary Companies

As on 31st March, 2020 the Company has five subsidiaries. The Company has formulated a policy for determining material subsidiaries in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy is being disclosed on the Company's website at the weblink <http://birla-sugar.com/Assets/Palash/Palash-Securities-Policy-for-Determining-Material-Subsidiaries.pdf>

8. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Again, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Similarly, there were no transaction with person or entity belonging to Promoter/ Promoter Group which holds 10% or more shareholding in the Company. Suitable disclosure has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which modified in line with amended provisions of Companies Act, 2013 read with SEBI (LODR) Regulations, 2015 and has been uploaded on the Company's website at the web-link <http://www.birla-sugar.com/Assets/Palash/Policy%20on%20Related%20Party%20Transaction-2.pdf>

9. Vigil Mechanism / Whistle Blower Policy

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

10. Policy Against Sexual and Workplace Harassment

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy. During the financial year 2019-20, the Company has not received any complaint on sexual harassment from any of the women employees of the Company, neither there were any pending complaints which were disposed off nor there were any complaints pending as on the end of the FY 2019-20. There has been no such case pending during the year under review.

11. General Body Meetings

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

Financial Year	Date	Time	Location
2018-19	02.09.2019	10.00 a.m.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2017-18	24.09.2018	10.30 a.m.	
2016-17	22.09.2017	10.30 a.m.	

The last Annual General Meeting was held on 2nd September, 2019, which was chaired by Mr Chand Bihari Patodia.

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

1. Appointment of Mr. Chand Bihari Patodia as the Managing Director of the Company in the Annual General Meeting held on 22nd September, 2017
No Special Resolution was passed last year through postal ballot. Further no special resolution to be conducted through postal ballot.

12. Means of Communication

- i. The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of SEBI (LODR) Regulations 2015. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English and 'Business Standard' in English and Hindi in Lukhnow, Kolkata and Mumbai edition.
- ii. Owing to disruptions caused by COVID 19, several relaxations have been provided by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), relating to the approval of financial results for the quarter and year ended 31st March, 2020 and the time line for approval of financial results for quarter and year ended had been extended till 30th June 30, 2020 by SEBI. Further, SEBI has granted temporary relaxation to companies from certain disclosure requirements on account of the ongoing COVID-19 pandemic. SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020 extending the time for submission of financial results for the quarter/half year/financial year ending 31st March 2020 by the listed entities to the stock exchanges due to the continuing impact of the CoVID-19 pandemic from 30th June, 2020 to 31st July, 2020
- iii. The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.
- iv. The Annual Report of the Company, the quarterly/half yearly and annual financial results are simultaneously posted on the Company's website www.birla-sugar.com and can be downloaded.
- v. The Company also displays official press releases as and when released on the above website.
- vi. Email id earmarked for redressing Investor queries is palashinvestors@birla-sugar.com.

13. General Shareholders' Information

- i. 6th Annual General Meeting
Day : Thursday
Date : 24th September, 2020
Time : 11 AM
Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM

ii. Tentative Financial Calendar for the year 2020-21

Approval of Audited Annual Results (2019-20)	25th June, 2020
First Quarter Results	On or before 14th August, 2020
Second Quarter Results	On or before 14th November, 2020
Third Quarter Results	On or before 14th January, 2021
Audited Annual Results (2020-21)	On or before 30th May, 2021

iii. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 18th September, 2020 to Thursday, 24th September, 2020 (both day inclusive)

iv. Dividend Payment Date

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

v. Listing on Stock Exchanges and Stock Codes

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

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

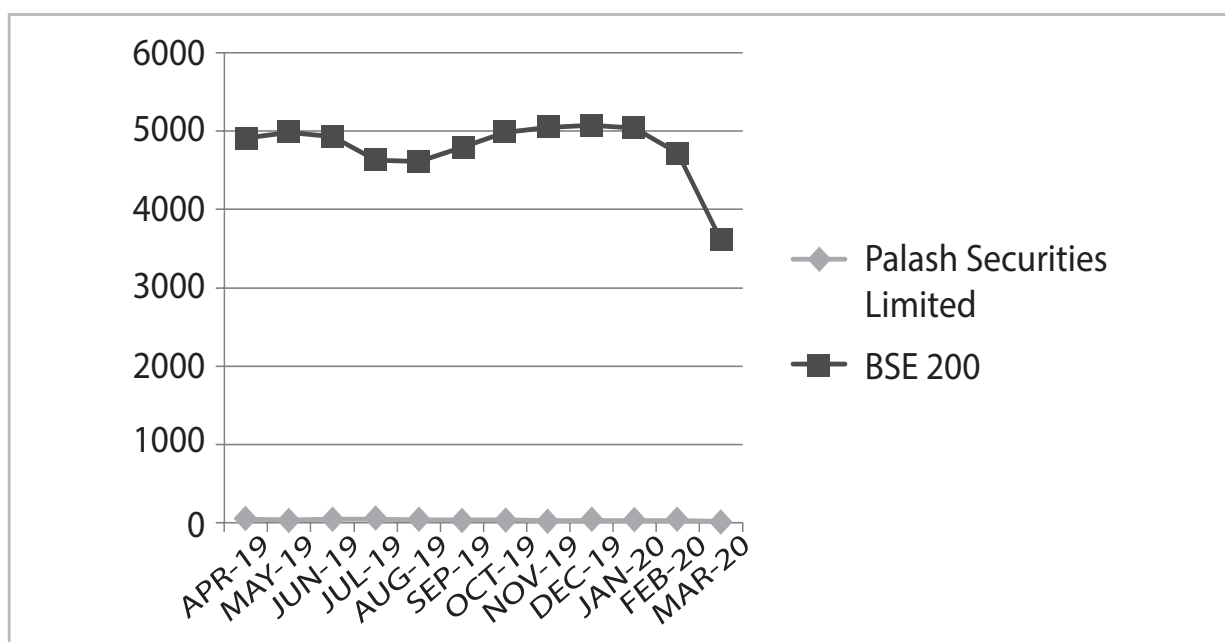
Listing fees for the FY 2020-21 have been paid to the above Stock Exchanges.

vi. Market Price data

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

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April, 2019	44.35	37.50	43.00	37.00
May, 2019	43.95	36.60	45.00	37.50
June, 2019	48.50	38.70	47.60	37.55
July, 2019	45.15	35.00	46.20	34.00
August, 2019	43.90	34.00	43.95	33.55
September, 2019	44.00	35.00	45.00	34.30
October, 2019	42.80	30.00	39.50	28.85
November, 2019	38.40	25.40	35.75	24.10
December, 2019	35.30	24.00	33.30	24.30
January, 2020	41.95	23.20	39.90	25.05
February, 2020	30.30	24.15	31.35	24.50
March, 2020	26.00	18.20	27.65	17.70

vii. Performance of Company's Equity Shares in comparison to BSE 200



The shares of the company were never suspended.

viii. Registrar & Share Transfer Agent

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

Link Intime India Pvt. Ltd. Unit: Palash Securities Limited

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

Tel: 91 033 4004 9728, Fax : 91 033-40731698, E-mail: kolkata@linkintime.co.in

ix. Share Transfer System

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

x. Distribution of Shareholding

a. Equity Share Capital History

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

Date of Allotment	No. of share	Issue Price (Rs per share)
30.03.2017	10003102	10

b. The Distribution of Shareholding as on 31st March, 2020 was as follows:

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 -500	8644	92.5482	659487	6.5928
501 - 1000	296	3.1692	220877	2.2081
1001 – 2000	199	2.1306	287072	2.8698
2001 – 3000	60	0.6424	153158	1.5311
3001 – 4000	25	0.2677	88628	0.8860
4001 – 5000	21	0.2248	94743	0.9471
5001 – 10000	35	0.3747	245033	2.4496
100001 and above	60	0.6424	8254104	82.5154
Total	9340	100	10003102	100

c. Detail of Shareholding pattern of the Company as on 31st March, 2020 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	6533643	65.32
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	368650	3.69
Bodies Corporate	391031	3.91
Societies	20500	0.20
Indian Public	2623110	26.22
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	66168	0.66
Total	10003102	100

xi. Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd. and The National Stock Exchange of India Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 9933395 Equity Shares viz. 99.36% of Company have already been dematerialized.

xii. Outstanding GDRs /ADRs/Warrants or Convertible Instrument

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

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

Not Applicable

xiv. Address for Correspondence:

The Company Secretary,	Link Intime India Pvt. Ltd.
Palash Securities Limited	Unit : Palash Securities Limited
9/1, R.N. Mukherjee Road	Vaishno Chamber, 5th Floor, Room No. 502 & 503
5th Floor, Birla Building	6, Brabourne Road
Kolkata - 700 001	Kolkata - 700 001
India	India
Tel : 91 - 033 - 2243 0497/8	Tel : 91-033-2289 0540
Fax: 91 - 033 - 2248 6369	Fax : 91-033-2289 0539
e-mail: palashsecuritiesc@birlasugar.org	e-mail: kolkata@linkintime.co.in

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

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

14. CEO and CFO Certification

The Managing Director and the Chief Financial Officer of the Company have certified that all the requirements of the Listing Regulations inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2020, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

15. Information about directors seeking appointment/ re-appointment

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

16. Prevention of Insider Trading

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

17. Code of Conduct

The Company has also adopted a Code of Conduct (Code) for the members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at <http://birla-sugar.com/Assets/Palash/Palash-Securities-Code-of-Conduct.pdf>. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage.

All Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code, and a declaration to this effect, signed by the Managing Director, is attached to this report and which forms an integral part of this report.

18. Legal Compliances

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

19. Reconciliation of Share Capital Audit

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

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

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

21. Secretarial Audit & Secretarial Compliance Report

The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. The Secretarial Audit Report for the financial year ended March 31, 2020 is provided in the Annual Report. In addition to the Secretarial Audit Report, SEBI vide its Circular dated 8th February 2019 has mandated on annual basis a check by the company secretary in practice on compliance of SEBI Regulations and circulars/ guidelines issued thereunder and to submit a compliance report to the Company within 60 days of the end of the financial year, which was carried out by M/s Vinod Kothari & Co, Practising Company Secretary and their report shall be submitted to Stock Exchange within stipulated time and was uploaded on company's website at www.birla-sugar.com.

22. Disclosures

- a. There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No. 19 of the Accounts in the Annual Report.
- b. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.
- c. The company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- d. The Company has complied with all the applicable mandatory requirements.
- e. In the preparation of the financial statements, the Company has followed Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013, as amended. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

- f. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. Details relating to fees paid to the Statutory Auditors are given in Note 23 to the Standalone Financial Statements and Note 34 to the Consolidated Financial Statements
- g. During the year the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Reg 32(7A) of SEBI (LODR) Regulations, 2015, as amended from time to time.
- h. There were no instances where Board had not accepted any recommendations/ suggestions of any committee of Board which is mandatorily required during the financial year 2019-20.
- i. As required under Part C of Schedule V the Listing Regulations, certificate dated May 9, 2019 obtained from M/s. A.K. Labh & Co, Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority, is annexed hereto.

23. Discretionary Requirements

- a. **Chairman of the Board:** Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties
Yes, the Company do provide for maintenance of Chairperson office at the Company's expense.
- b. **Shareholder rights:** The quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Hindi daily newspaper (having circulation in Lucknow) and regularly hosted on Company's website.
In view of the CoVID-19 pandemic, the Securities and Exchange Board of India (SEBI) relaxed the compliance norms on conducting virtual Annual General Meeting (AGMs). Further, the requirements of printing and despatch of annual reports to shareholders are dispensed with. This relaxation is available for listed entities who conduct their AGMs during the calendar year 2020 (i.e. till December 31, 2020).
The Annual Report of the Company for the financial year 2019-20 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.
The Company communicates with shareholders through e-mail, telephone etc.
- c. **Modified opinion(s) in audit report:** Company may move towards a regime of unmodified financial statements
It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on 31st March, 2020
- d. **Separate posts of Chairperson and CEO:** The Company has appointed separate persons to the post of Chairperson and Managing Director/CEO.
The positions of Chairman and Managing Director are separate.
- e. **Reporting of Internal Auditor:** The Internal Auditor may report directly to the Audit Committee. The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

24. Web links to Company policies and programmes

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

1. Related Party Transaction Policies

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

2. Policy for determining Material Subsidiaries

<http://birla-sugar.com/Assets/Palash/Palash-Securities-Policy-for-Determining-Material-Subsidiaries.pdf>

3. Code of Conduct

<http://birla-sugar.com/Assets/Palash/Palash-Securities-Code-of-Conduct.pdf>

4. Policy on Determination of Materiality

<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Policy-on-Determination-of-Materiality.pdf>

5. Policy on preservation of documents including archival

<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Policy-on-preservation-of-documents-including-archival.pdf>

6. Whistle Blower Policy

<http://www.birla-sugar.com/Assets/Palash/Palash-Securities-Whistle-Blower-Policy.pdf>

7. Familiarisation Programme

<http://www.birla-sugar.com/Assets/Palash/FAMILARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf>

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

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

- a. Board of Directors
- b. Audit Committee
- c. Nomination and Remuneration Committee
- d. Stakeholders' Relationship Committee
- e. Vigil Mechanism
- f. Related Party Transactions
- g. Obligations with respect to Independent Directors
- h. Obligations with respect to Directors and senior management
- i. Other Corporate governance requirements as stipulated under the Regulations
- j. Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).

