



# Bengal Tea & Fabrics Limited

CIN. L51909WB1983PLC036542

Century Towers, 45, Shakespeare Sarani, 4th Floor, Kolkata - 700 017  
Telefax : 91-33 2283 6416/6417, e-mail : mail@bengaltea.com  
Website : www.bengaltea.com



ISO 22000 : 2005  
ISO 9001 : 2015



CB-045-MS

2<sup>nd</sup> August, 2021

**BTF/SE/2021-22**

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001  
(Scrip Code: 532230)

Dear Sir (s),

**Re: Annual Report for the year ended 31<sup>st</sup> March, 2021 and cut-off date for e-voting**

Pursuant to Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, attached please find the soft copy of the Annual Report for the year ended 31<sup>st</sup> March, 2021 together with the Notice dated 25<sup>th</sup> June, 2021 convening the 38<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, the 31<sup>st</sup> day of August, 2021 at 11.30 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Again, pursuant to Regulation 42 & 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we would like to inform the following:

1. The cut-off date for the purpose of determining members for providing remote e-voting and e-voting facility to the members is Tuesday, 24<sup>th</sup> August, 2021 (end of day).
2. The remote e-voting period shall commence from Saturday, 28<sup>th</sup> August, 2021 (9:00 A.M) and ends on Monday, 30<sup>th</sup> August, 2021 (5:00 P.M.).

Kindly acknowledge the same.

Yours faithfully,

**For Bengal Tea & Fabrics Limited**

**Sunita Shah**  
Company Secretary  
(Membership no.: F8495)



# **BENGAL TEA AND FABRICS LIMITED**

Annual Report 2020-21

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Adarsh Kanoria**

*Chairman & Managing Director*

**Mr. Kailash Prasad Khandelwal**

*Whole-time Director*

**Mr. Golam Momen**

*Independent Director*

**Mr. Dharendra Kumar**

*Independent Director*

**Mr. Abhijit Datta\***

*Independent Director*

**Mr. Samveg A. Lalbhai**

*Non-Executive Director*

**Mr. Navin Nayar**

*Independent Director*

**Mrs. Shubha Kanoria**

*Non-Executive Director*

**Mr. Ashutosh Bhagat**

*Independent Director*

*\*Resigned w.e.f. 24.02.2021*

### CHIEF FINANCIAL OFFICER

**Mr. Atul Doshi**

### COMPANY SECRETARY

**Mrs. Sunita Shah**

### AUDITORS

**M/s. Singhi & Co.,**

*Chartered Accountants*

### BRANCH AUDITORS

**M/s. Khandhar & Associates**

*Chartered Accountants*

### COST AUDITORS

**M/s. D. Radhakrishnan & Co.,**

*Cost Accountants*

**M/s. N. D. Birla & Co.,**

*Cost Accountants*

### INTERNAL AUDITORS

**M/s. Parikh & Associates,**

*Chartered Accountants*

**M/s. NKSJ & Associates,**

*Chartered Accountants*

### SECRETARIAL AUDITOR

**M/s. H. M. Choraria & Co.,<sup>§</sup>**

*Practising Company Secretaries*

**M/s. Bajaj Todi & Associates<sup>#</sup>**

*Practising Company Secretaries*

### BANKERS

State Bank of India

Punjab National Bank

IDBI Bank

*§ Deceased on 26.04.2021*

*# Appointed on 31.05.2021*

### TEA DIVISION

**Ananda Tea Estate**

P.O. Pathalipam 787 056

Dist. North Lakhimpur (Assam)

### TEXTILE DIVISION

**Asarwa Mills**

Asarwa Road, Ahmedabad 380 016 (Gujarat)

### REGISTERED OFFICE

Century Towers, 4th Floor,

45, Shakespeare Sarani,

Kolkata 700 017

Telefax Nos. : 91 33 2283-6416/17,

E-mail : investor@bengaltea.com / mail@bengaltea.com

Website : www.bengaltea.com

### REGISTRAR & SHARE TRANSFER AGENT

**C. B. Management Services (P) Ltd.**

P-22, Bondel Road, Kolkata 700 019

Telephone : 91 33 4011 6716/17/23/28,

Fax : 4011-6739

E-mail : rta@cbmsl.com

### CONTENTS

Notice of Annual General Meeting	1 - 9
Communication on Tax Deduction on Dividend	10 - 14
Directors' Report	15 - 20
Management Discussion & Analysis Report	21 - 23
Report on Corporate Governance	24 - 34
Secretarial Auditor Report	35 - 36
Particulars of Employees	37 - 38
Report on Energy Conservation etc.	39
Annual Report on CSR activities	40 - 42
Independent Auditors. Report	43 - 49
Balance Sheet	50
Statement of Profit & Loss	51
Cash Flow Statement	52 - 53
Statement of Change in Equity	54
Notes to the Financial Statements	55 - 93



## BENGAL TEA & FABRICS LIMITED

CIN: L51909WB1983PLC036542

Century Towers, 45 Shakespeare Sarani, 4th Floor, Kolkata- 700 017

Telefax – 91 -33 2283 6416/17 e-mail: investor@bengaltea.com

Website: www.bengaltea.com

### Notice

NOTICE is hereby given that the 38th Annual General Meeting (AGM) of the Members of Bengal Tea & Fabrics Limited will be held on Tuesday, the 31st day of August, 2021 at 11.30 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business: -

#### ORDINARY BUSINESS

1. Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 including the Audited Balance Sheet as at 31st March, 2021, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date, the Reports of Directors and Auditors thereon, as circulated to the Shareholders and now submitted to this Meeting be and are hereby approved and adopted.”

2. Declaration of Dividend

To declare Dividend of Re.1/- per equity share of the Company for the financial year ended 31st March, 2021.

**“RESOLVED THAT** pursuant to the recommendation of the Board of Directors of the Company, Dividend at the rate of 10% per equity share of nominal value Rs 10/- each, out of the current profits of the Company for the year ended on 31st March, 2021 on 90,05,985 Equity Shares of the Company, be and is hereby declared and that the same be paid to those Members whose names appear on the Company’s Register of Members and in the Register of Beneficial Owners maintained by the Depositories as on the Record Date which is 24th August, 2021.”

3. Re-appointment of Director retiring by rotation

To appoint a Director in place of Mr. Kailash Prasad Khandelwal (DIN: 00914834) who retires by rotation and being eligible, offers himself for re-appointment and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Kailash Prasad Khandelwal (DIN: 00914834) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible, has offered himself for re-appointment, be and is hereby reappointed as a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation.”

#### SPECIAL BUSINESS

4. Fixation of Remuneration of Cost Auditors of the Textile Division of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s N.D.Birla & Co., (Firm Regn. No. 000028) appointed as the Cost Auditors for the Textile Division of the Company by the Board of Directors of the Company, to conduct the audit of cost records of the Textile Division of the Company for the financial year ending 31st March, 2022, be paid a remuneration of ₹ 40,000 /-p.a. plus out of pocket expenses and taxes, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Fixation of Remuneration of Cost Auditors of the Tea Division of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018) appointed as the Cost Auditors of the Tea Division of the Company by



## Notice

the Board of Directors of the Company, to conduct the audit of cost records of Tea Division of the Company for the financial year ending 31st March, 2022, be paid the remuneration of ₹ 30,000/- p.a. plus out of pocket expenses and taxes, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:  
Century Towers, 4th Floor,  
45, Shakespeare Sarani,  
Kolkata-700 017  
Dated: 25th June, 2021

By Order of the Board  
For **Bengal Tea & Fabrics Limited**  
Sd/-  
**Sunita Shah**  
Company Secretary  
(Membership No.: F8495)

### NOTES :

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) with respect to item nos. 4 and 5 of the Notice is annexed hereto and forms part of this Notice.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to clarification on holding of annual general meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020 and No. 10/2021 dated June 23, 2021 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' and General Circular No.02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – COVID-19 pandemic' and circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the 38th AGM of the Company is being held through VC/OAVM on Tuesday, 31st August, 2021 at 11.30 a.m. The deemed venue for the AGM will be the Registered Office of the Company.
3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and vote.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 25th August, 2021 to 31st August, 2021 (both days inclusive) for the purpose of the payment of Dividend and the 38th Annual General Meeting.
6. In compliance with the aforesaid MCA & SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report for the financial year 2020-21 will also be available on the Company's website [www.bengaltea.com](http://www.bengaltea.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com)
7. The Notice of the 38th AGM and the Annual Report for the year ended 2020-21 is being emailed to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on close of business hours on 23rd July, 2021 and whose email ids are available. Any person who acquires shares and became Member after the aforesaid date, can obtain the same by downloading it from the Company's Website: [www.bengaltea.com](http://www.bengaltea.com) or may request for the same by writing to the Company at [investor@bengaltea.com](mailto:investor@bengaltea.com) or the Company's RTA at [rta@cbmsl.com](mailto:rta@cbmsl.com)
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.



## Notice

9. The Members can join the AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
10. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
11. A brief profile of the Director seeking re-appointment including relevant particulars relating to him is furnished as a part of the Notice as Annexure and in Explanatory Statement, as required under Regulation 26 and 36 of SEBI (Listing Obligations and Disclosure Requirements) {"SEBI (LODR)"} Regulations, 2015.
12. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be made available for inspection through electronic mode on the website of the Company for inspection by the Members. All documents referred to in the accompanying explanatory statement are available for inspection upto the date of the e-AGM on the website of the Company.
13. The Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding as maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 can send an email to investor@bengaltea.com.
14. Members desirous of getting any information on the accounts or operations of the Company are requested to forward their queries to the Company at least seven working days prior to the meeting.
15. Members are requested to intimate immediately change of email address, change of correspondence Address, telephone no, mobile no., PAN Mandate, Nominations, bank details etc., if any, to the Company or the Registrar of the Company, C.B. Management Services (P) Ltd.
16. Members still possessing the share certificates issued prior to 25th July, 1998 are requested to surrender the said share certificates for the reduced shareholdings as the new share certificates are only eligible for demat.
17. Members holding shares in the physical form and desirous of making/changing nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made there under are requested to submit the prescribed Form No. SH-13 and SH-14, as applicable for this purpose to the Company's Registrars and Share Transfer Agent, C. B. Management Services (P) Ltd., who will provide the Form on request.
18. Subject to the provisions of the Companies Act, 2013, final dividend as recommended by the Board of Directors, if declared at the AGM, will be paid subject to deduction of income tax at source within a period of 30 days from the declaration to those Members whose names appear on the Register of Members and whose names appears as Beneficial Owners as per the details available with depositories, as on the close of 24th August, 2021.
19. The Company is required to deduct tax at source while making payment of dividend as per the provisions of the Income Tax Act, 1961. Members are requested to submit their residential status, PAN and category to their respective depository participant(s) (DPs) in case of shares held in dematerialised form and with the Company/Registrar in case of shares held in physical form by sending documents through e-mail at rta@cbmsl.com on or before Tuesday, 24<sup>th</sup> August, 2021. Please refer to our "Communication on tax deduction on dividend" annexed to the Annual Report and also available on the Company's website : www.bengaltea.com.
20. Members are hereby informed that Securities and Exchange Board of India (SEBI) in terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 has made it mandatory for all Listed Companies to make cash payments through electronic modes to the investors. It is further directed that in case electronic payment is rejected or returned, the Company shall mandatorily print the bank account details of the investor on payment instruments. Members are requested to provide their updated Bank account particulars to enable the Company to electronically credit dividend directly in their respective bank accounts.  
Members holding shares in demat mode are requested to send correct bank details (including MICR No., IFSC Code, Account Type etc.) to their respective Depository Participant. Members holding shares in physical form are requested to send such bank details along with a cancelled cheque to our Registrars M/s C.B. Management Services (P) Ltd.
21. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Account Details by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN and bank account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and bank account details to the Company / C B Management Services (P) Ltd (RTA).
22. As mandated by SEBI, effective from April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. The Shareholders, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory Demat mode as per the regulation of SEBI.



## Notice

23. The Shareholders who have not encashed their Dividend Warrants are requested to send their Warrants for revalidation otherwise the amount will be transferred to the Investor Education and Protection Fund (IEPF) on expiry of 7 years from the date of transfer of dividend amount to unclaimed dividend account.
24. Pursuant to the provision of Section 124 (6) read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "IEPF Rules") as amended, all shares in respect of which dividend has/have remained unpaid or unclaimed for consecutive seven years the corresponding shares shall also be transferred in the name of Demat Account of IEPF Authority.

26779 equity shares against 435 folios corresponding to the dividend for the year ended on 31st March, 2014 which remained unclaimed for seven consecutive years will be transferred to Demat Account of IEPF Authority.

Please note that those shareholders whose dividend for the financial year 2013-14 has remained unpaid / unclaimed, their corresponding shares of the face value of Rs 10/- each, are due to be transferred to Demat Account of IEPF Authority on 14th September, 2021. All such shareholders are requested to make an application to the Company / Registrar & Share Transfer Agents latest by 31st August, 2021 with a request for claiming the unpaid dividend so that the shares are not transferred to the IEPF

Adhering to the various requirements set out in the Rules, the company has communicated individually to the concerned shareholders whose shares are liable to be transferred to Demat Account of IEPF Authority at their last recorded address with the Company for taking appropriate action. The full details of such shareholders whose unencashed dividends and shares are due for transfer has been given on the website of the Company [www.bengaltea.com](http://www.bengaltea.com)

**25.1. The instructions for shareholders for e-voting and joining virtual meetings are as under:**

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by Companies (Management and Administration) Rules, 2015, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with MCA/SEBI Circulars and Secretarial Standard on General Meetings, the Company is pleased to provide to the members the facility to exercise their right to vote on resolutions set forth in this notice by electronic means (e-Voting). The e-Voting facility will be provided by Central Depository Services (India) Limited (CDSL).
- (ii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with the Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode i.e., with CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>(1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>(2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>(3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>(4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is also in progress and will also able to directly access the system of all e-Voting Service Providers.</p>



## Notice

Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>(1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>(2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>(3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 022-23058542-43.
<b>Individual Shareholders holding securities in Demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

(iii) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.





## Notice

- 6) However, if you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (iv) After entering these details appropriately, click on “SUBMIT” tab.
- (v) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vii) Click on the EVSN for the relevant <BENGAL TEA & FABRICS LIMITED> on which you choose to vote.
- (viii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (ix) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (x) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xiv) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [swati@bajajtodi.in](mailto:swati@bajajtodi.in) and [investor@bengaltea.com](mailto:investor@bengaltea.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



## Notice

### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investor@bengaltea.com. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as above.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
11. **Since some browsers are not optimised, shareholders are requested to download Cisco Webex meetings app for best results in viewing the webinar. it is available in google play store.**

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES/RTA.

1. **For Physical shareholders** – please provide necessary details like Mobile No., Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) or any address proof ( voter id proof, driving license, bank passbook particulars, latest electricity bill/telephone bill) by email to Company at investor@bengaltea.com / RTA at rta@cbmsl.com.
2. **For Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP).
3. **For Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

- II. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 24th August, 2021 (close of business hours).The Equity shares held by IEPF do not have any voting rights.
- III. Mrs. Swati Bajaj, (CP No. 3502, Membership No. FCS 13216), Partner of M/s Bajaj, Todi & Associates. Practising Company Secretaries of 225D, A.J.C.Bose Road, 3rd Floor, Kolkata 700 020 has been appointed as the Scrutinizers to scrutinize the remote e-voting and voting process to be carried out at the AGM in a fair and transparent manner.



## Notice

- IV. The scrutinizer shall within a period of not exceeding 48 Hours from the conclusion of the meeting unblock the votes cast through remote e-voting & e-voting at AGM, after counting the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and make a consolidated scrutinizer's report of the votes cast in favour or against, if any and forward to the Chairman of the AGM.
- V. The Results on resolutions shall be declared after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- VI. The Consolidated Results declared along with the Scrutinizer's report (s) shall be placed on the Company's website [www.bengaltea.com](http://www.bengaltea.com) and on the website of CDSL within 48 hours of passing of the resolutions at the AGM of the Company. The results will also be communicated to BSE Limited where the shares of the Company are listed.

**26. Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 4 and 5 of the Notice are as under:**

**In respect of Item No. 4**

M/s N.D.Birla & Co., (Firm Regn. No. 000028), Cost Accountants have been conducting the Cost Audit for the Textile Division of the Company from last few years. The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N.D. Birla & Co., (Firm Regn. No. 000028), as the Cost Auditors for the Textile Division of the Company on 25th June, 2021 to conduct the audit of the cost records of the Textile Division of the Company for the financial year ending on 31st March, 2022.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, a remuneration of ₹ 40,000 p.a. plus out of pocket expenses and taxes, if any, payable to the Cost Auditors has to be approved by the shareholders of the Company. Accordingly, consent of the members is being sought for passing an Ordinary Resolution for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

Your Directors recommend the resolution to be passed as an Ordinary Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnels or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

**In respect of Item No. 5**

M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018), Cost Accountants have been conducting the Cost Audit for the Tea Division of the Company from last few years. The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018), as the Cost Auditors of the Tea Division of the Company on 25th June, 2021 to conduct the audit of the cost records of the Tea Division of the Company for the financial year ending on 31st March, 2022.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, a remuneration of ₹ 30,000/- p.a. plus out of pocket expenses and taxes, if any, payable to the Cost Auditors has to be approved by the shareholders of the Company. Accordingly, consent of the members is being sought for passing an Ordinary Resolution for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2022.

Your Directors recommend the resolution to be passed as an Ordinary Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnels or their relatives are interested or concerned, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Registered Office:  
Century Towers, 4th Floor,  
45, Shakespeare Sarani,  
Kolkata-700 017  
Dated: 25th June, 2021

By Order of the Board  
For **Bengal Tea & Fabrics Limited**  
Sd/-  
**Sunita Shah**  
Company Secretary  
(Membership No.: F8495)



## Notice

### ANNEXURE TO NOTICE OF 38th ANNUAL GENERAL MEETING

#### Brief Profile of Mr. Kailash Prasad Khandelwal, Director seeking re-appointment

Mr. Kailash Prasad Khandelwal, (DIN: 00914834) Whole-time Director of the Company, aged about 65 years, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. He is a Commerce Graduate with Honours having experience of over 47 years in the Tea Industry. Mr. Khandelwal is associated with the Company since its inception. He is a Member of Share Transfer Sub-committee of the Company. Mr. Khandelwal is not related with any of the Directors on the Board.

Mr. Khandelwal is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013. The Company has received the requisite Form DIR-8 from Mr. Khandelwal in terms of Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 confirming his eligibility. He retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A brief resume, experience and functional expertise and membership on various Board and Committee for Mr. Khandelwal, proposed to be re-appointed at Serial No. 3 of the Notice convening the 38th Annual General Meeting, as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) {"SEBI (LODR)"} Regulations, 2015 are furnished below:

Date of Birth	05.08.1955
Date of first appointment	09.11.2013
Qualification	Commerce Graduate with Honours
Experience in specific functional areas	47 years in the Tea Industry
Directorship in other Companies apart from this company	1. AKV Textiles Limited.
*Chairman/Member of the Committee in which he is a Director apart from this company	Nil
Shares of the company held by him Equity :	
a) Own	Nil
b) Beneficiary basis	Nil

\*Only Audit Committee & Shareholders/Investors Grievance Committees are being considered.



**Bengal Tea & Fabrics Limited**

CIN : L51909WB1983PLC036542

Registered Office : Century Towers, 4th Floor, 45 Shakespeare Sarani, Kolkata 700017

Telephone Nos (033) 2283-6416 /17

E-mail : investor@bengaltea.com Website : www.bengaltea.com

**COMMUNICATION ON TAX DEDUCTION ON DIVIDEND**

Dear Shareholder(s)

We are pleased to inform you that the Board of Directors at its meeting held on Friday, 25th June, 2021 recommended a final dividend of Re.1/- per Fully Paid-up Ordinary Share of Rs.10/- each, which will be paid to the shareholders, if approved, at the Annual General Meeting (AGM) of the Company scheduled to be held on Tuesday, 31st August, 2021. The dividend will be paid to those members, whose name shall appear in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the Record Date i.e. Tuesday, 24th August, 2021 (EOD).

As you are aware, as per the Income-tax Act, 1961 (the 'Act'), as amended by the Finance Act, 2020, dividends declared, distributed and paid by a company on or after April 1, 2020 shall be taxable in the hands of the shareholders. Pursuant to Section 194 of the IT Act, the Company shall also be required to deduct tax at source there from before making distribution or payment of the dividend at the rates applicable to each category of shareholder.

This communication provides a brief of the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories.

**I. For Resident Shareholders -**

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have valid Permanent Account Number (PAN). In case, Shareholders do not have PAN / have not registered their valid PAN details in their account, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

**a. Resident Individuals:**

No tax shall be deducted on the dividend payable to resident individuals if –

- Total amount of dividend paid / distributed or likely to paid / distributed during the Financial Year 2021-22 does not exceed INR 5,000/- during that financial year; or
- Tax on shareholders' estimated total income is Nil and a declaration is received from the concerned shareholder in Form 15G (for individuals up to the age of 60 years) / Form 15H (for individuals of the age of 60 years or above).

**b. Resident (other than Individuals):**

- No TDS shall be deducted from dividend payable to Mutual Funds, Insurance Companies, Category I and II Alternative Investment Fund, Recognised Provident funds, Approved Superannuation Fund, Approved Gratuity Fund, National Pension Scheme, Government (Central/State) or any other entity entitled to exemption from TDS for the time being in force, subject to specified conditions and submission of declaration as per Annexure 1 with certified copies of evidences.

- c. In case, shareholders (both individuals and non-individuals) provide certificate under Section 197 of the Act, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of copy of the certificate along with self-attested copy of the PAN card.

**II. For Non-resident Shareholders -**

- a. Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act at the rates in force, i.e., at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of copy of the certificate.

- b. Further, as per Section 90 of the Act the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") (if any) between India and the Country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders are required to provide the following:

- i. Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities, if available.



- ii. Self-attested copy of Tax Residency Certificate (TRC) (for the period 1st April 2021 to 31st March 2022) obtained from the tax authorities of the country of which the shareholder is a resident.
- iii. Self-declaration in Form 10F for the Financial Year 2021-22.
- iv. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty, their eligibility to claim benefits of the said Tax Treaty and beneficial ownership of the shares (for the period 1st April 2021 to 31st March 2022).

Kindly note that the Company is not obligated to apply beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

**Note:** Please note that the provisions of Section 206 AB of the IT Act (applicable w.e.f. 1st July, 2021) shall require deduction of tax at higher of the following rates from amount paid/credited to 'specified person':

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rate(s) in force; or
- iii. At the rate of 5%.

The 'specified person' under Section 206AB of the IT Act means a person who has:

- i. not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under section 139(1) of the IT Act has expired; and
- ii. the aggregate of tax deducted at source and tax collected at source in his/her case is ₹ 50,000/- or more in each of these two previous years.

The specified person does not include a non-resident who does not have a permanent establishment in India.

### III. Submission of documents and other matters :

- i. In view of the prevailing COVID 19 situation, only scanned copy of the documents such as PAN, Forms 15G/15H/10F/Self-declaration/documentary evidences etc. are required to be sent vide email at [rta@cbmsl.com](mailto:rta@cbmsl.com) on or before the Record Date i.e. Tuesday, 24th August, 2021. Soft copy of Form 15G/15H/10F are available at the Company's website [www.bengaltea.com](http://www.bengaltea.com).
- ii. Please update/verify your PAN and the residential status as per IT Act, if not done so already, with your respective Depository Participant(s) (in case of shares held in dematerialised form) and with the Company's Registrar and Share Transfer Agent, M/s C B Management Services Private Limited (in case of shares held in physical form) at [rta@cbmsl.com](mailto:rta@cbmsl.com) on or before the Record Date, Tuesday, 24th August, 2021.
- iii. TDS will be calculated based on details of first holder / registered member / beneficial owner only as appearing on Record Date. Once TDS is deducted, no transfer of such TDS in the name of another person shall be entertained under any circumstances.
- iv. TDS certificate will be sent to the members' registered email address in due course after payment of dividend and filing of TDS Return. Members will also be able to view the TDS details in Form 26AS by login to <https://www.incometax.gov.in> provided that valid PAN is registered with the Company/Depository Participant(s).
- v. TDS on dividend payable on ordinary shares of the Company, which have been transferred to Investor Education and Protection Fund ('IEPF') in terms of Section 124(6) of the Companies Act, 2013 and Rules framed thereunder shall be determined on the basis of the shareholding of respective members entitled to those shares.
- vi. In case of incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible. Once deducted, no claim shall lie against the Company in relation to TDS.
- vii. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the member(s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all valid information / documents.



**IV. Update your Bank Account details:**

In view of the prevailing COVID-19 pandemic, members are requested to ensure that their bank account details are updated with the Registrar/Depository Participant(s) to get credit of dividend in their respective bank accounts. Members holding shares in physical form and who have not updated their bank accounts details are requested to send duly completed NACH Mandate Form available at [www.bengaltea.com](http://www.bengaltea.com) with signature of the First/Sole holder attested by your banker along with a cancelled cheque leaf with your name, account no. and IFSC Code printed thereon to the Company's Registrar and Share Transfer Agent, C B Management Services Private Limited, P-22 Bondel Road, Kolkata-700017. In case your name is not printed on the cheque leaf, you are requested to additionally send self-attested copy of your pass book / bank statement showing your name, account no and IFSC Code.

In the covering letter, please mention name of the Company, Folio No., along with your name, address, email ID and phone no. before uploading the information online.

**V. FOR SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS / CATEGORY**

Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

Accordingly, in order to enable us to determine the appropriate withholding tax rate applicable, we request you to provide these details and documents as mentioned, above, on or before 24.08.2021 to the Registrar and Transfer Agent CB Management Services (P) Ltd, P-22 Bondel Road, Kolkata 700 019. E-mail [rta@cbmsl.com](mailto:rta@cbmsl.com), Telephone (033) 4011 6700. No communication on the tax determination / deduction shall be entertained post.

Shareholders holding shares in physical mode are requested to update their PAN, Bank Mandate, E-mail address and mobile number with the Registrars and Transfer Agent of the Company at the above address. Shareholders holding shares in Demat mode are requested to update the same with their respective Depository Participant.

**Under the present pandemic situation due to COVID 19, shareholders can send the scanned copy of above said documents through e-mail at [rta@cbmsl.com](mailto:rta@cbmsl.com) mentioning the name of the Company in the subject line of the e-mail.**

Thanking you

For **Bengal Tea & Fabrics Limited**

Sd/-

**Sunita Shah**

*Company Secretary*

(Membership No.: F8495)

Encl. as stated



## ANNEXURE 1

Date:

To

**Bengal Tea & Fabrics Ltd**  
 Century Towers, 4th Floor,  
 45 Shakespeare Sarani  
 Kolkata 700017

Subject: Declaration regarding Category and Beneficial Ownership of shares

Ref: PAN – (Mention PAN of Shareholder)

Folio Number / DP ID/ Client ID – (Mention all the account details)

With reference to the captioned subject, and in relation to the appropriate withholding of taxes on the Dividend payable to me / us by Bengal Tea & Fabrics Ltd, I / We hereby declare as under:

1. I/ We, \_\_\_\_\_ (*Full name of the shareholder*), holding \_\_\_\_\_ (*mention number of shares held*) ordinary share(s) of the Company as on the record date, hereby declare that I am /we are tax resident of India for the period April 2021-March 2022 (Indian Fiscal Year).
2. We hereby declare that (*Select whichever is Applicable*)
  - We are Insurance Company and are the beneficial owner of the share/shares held in the Company; and we are submitting self-attested copy of PAN Card.
  - We are Mutual Fund specified in Section 10(23D) of the Income Tax Act, 1961 and are the beneficial owner of the share(s) held in the Company; and we are submitting self-attested copy of PAN Card and *registration certificate*.
  - We are Alternative Investment fund established in India and are the beneficial owner of the share(s) held in the Company; and our income is exempt under Section 10(23FBA) of the Act and are governed by SEBI regulations as Category I or Category II AIF; and we are submitting self-attested copy of the PAN card and registration certificate.
  - We are \_\_\_\_\_ (*mention category of the entity*) and are the beneficial owner of the share/shares held in the Company; and are not subject to withholding tax under section 196 of the Income Tax Act; and we are submitting self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.
3. I/ We further indemnify the Company for any penal consequences arising out of any acts of commission or omission initiated by the Company by relying on my/ our above averment.
4. I/We hereby confirm that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ accounts declared in the form.

Thanking you.

Yours faithfully,

For \_\_\_\_\_ (*Name of the shareholder*)

<<insert signature>>

Authorized Signatory - (*Name and Designation*)





Date:

To  
**Bengal Tea & Fabrics Ltd**  
Century Towers, 4th Floor,  
45 Shakespeare Sarani  
Kolkata 700017

Subject: Declaration regarding Tax Residency and Beneficial Ownership of shares

Ref: PAN – (Mention PAN of Shareholder)  
Folio Number / DP ID/ Client ID – (Mention all the account details)

With reference to the captioned subject, and in relation to the appropriate withholding of taxes on the Dividend payable to me / us by Bengal Tea & Fabrics Ltd, I / We hereby declare as under:

1. I / We, \_\_\_\_\_ (Full name of the shareholder), having permanent account number (PAN) under the Income Tax Act, 1961 (“the IT Act”) \_\_\_\_\_ (mention PAN), if available, and holding \_\_\_\_\_ (mention number of ordinary share(s) held) shares of the Company as on the record date, hereby declare that I am /we are tax resident of \_\_\_\_\_ (country name) for the period April 2021-March 2022 (Indian Fiscal Year) as per tax treaty between India and country name (hereinafter referred to as ‘said tax treaty’).
2. I / We hereby declare that, I am /we are the beneficial owner of the share(s) held in the Company as well as the dividend arising from such shareholding; and I/ we have the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person.
3. I/We confirm that I/We are entitled to claim the benefits under the Treaty as modified by the multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting (MLI) including but not limited to the Principal Purpose Test (PPT), limitation of benefit clause (LOB), period of holding of shares etc. as applicable.
4. I/We hereby furnish a copy of valid Tax Residency Certificate dated \_\_\_\_\_ having Tax Identification number \_\_\_\_\_ issued by \_\_\_\_\_ along with a copy of Form 10F duly filled and signed for the period April 2021-March 2022.
5. I/We further declare that I/we do not have and will not have any taxable presence, fixed base or Permanent Establishment in India as per the said tax treaty during the period April 2021 – March 2022.
6. I/ We further indemnify the Company for any penal consequences arising out of any acts of commission or omission initiated by the Company by relying on my/ our above averment.
7. I/We hereby confirm that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ accounts declared in the form.
8. I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, I/we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.
9. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me/us, I/We will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

Thanking you.  
Yours faithfully,

For \_\_\_\_\_ (Name of the shareholder)

<<insert signature>>

Authorized Signatory - (Name and Designation)



## Directors' Report

Dear Members,

The Directors of the Company present their 38th Annual Report and Company's Audited Accounts for the year ended 31st March, 2021.

### FINANCIAL SUMMARY/HIGHLIGHTS

The financial results for the year ended 31st March, 2021 and the corresponding figures for the last year are as under:

(Amount in ₹ Lakhs)

	2020-21		2019-20	
<b>Profit before Interest, Depreciation and Tax</b>		967.99		481.80
Less: Finance Cost	183.13		238.27	
Depreciation & Amortization Expense	381.08	564.21	460.37	698.64
<b>Profit/(Loss) after Interest &amp; Depreciation but before Tax</b>		403.78		(216.84)
Less: Tax Expense for Current Year	-		-	
Income Tax for Earlier Years	-		-	
Deferred Tax Provision/(Written Back)	67.18	67.18	(77.24)	(77.24)
<b>Profit/(Loss) from continuing operations</b>		<b>336.60</b>		<b>(139.60)</b>
<b>Profit/(Loss) before Tax from Discontinued operations</b>	(6.51)		22.69	
Less: Tax Expense of Discontinued operations	(1.81)		17.07	
<b>Profit/(Loss) after Tax from Discontinued operations</b>		<b>(4.70)</b>		<b>5.62</b>
Other Comprehensive Income for the year ( net of tax)		<b>(35.51)</b>		<b>(52.37)</b>
<b>Total Comprehensive income for the year</b>		<b>296.39</b>		<b>(186.35)</b>

### TRANSFER TO RESERVES

The Balance in Other Equity stands at ₹ 8796.60 Lakhs (Previous year ₹ 8500.21 Lakhs). The Company has transferred ₹ 100 Lakhs to General Reserve.

### DIVIDEND

Your Directors are pleased to recommend payment of Dividend of ₹ 1.00 per Equity Share on face value of ₹ 10/- each (Previous year ₹ Nil per Equity Share) for the year ended 31st March, 2021 amounting to ₹ 90,05,985 lakhs subject to the approval of members at the ensuing Annual General Meeting.

### Impact of COVID-19 Pandemic

COVID-19 Pandemic has caused unprecedented economic disruption globally and in India. The onset of second wave of COVID 19, once again resulted in massive economic and human loss. The Company has been monitoring the situation closely and has taken various measures to comply with directions / regulations / guidelines issued by the Government and local bodies to ensure safety of workforce across all its factories and offices. The Company has also taken steps for the vaccination of all employees.

The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, market conditions due to lockdown situation, if any, prevailing in the various parts of the country.

### OPERATIONS

#### Tea Division

During the year under review, due to National lockdown, all India crop loss was 145 million kgs i.e. 10.5%. Production in our area have been severely affected and was lower by 25%, however the profit have been significantly better due to substantial improvement in average sales realisation.

Your Directors expect the current year production to be normal. In spite of wage rate increase from Rs. 167 to Rs. 205, we expect favorable year on account of lower cost of production due to increased production. Your Company is taking necessary steps for manufacturing Quality teas. The tea markets have been very buoyant for quality teas which has led to good demands from packeters in the domestic market. The outlook for the division in the current year seemed optimistic.

#### TEXTILE DIVISION

The year started with the spike in covid cases. But the expectations are there that the demand will bounce back along with the opening of the markets after the second wave shutdowns are over, as it happened with the opening up of the markets after first wave of Covid lockdown.



## Directors' Report

Year under review started with national lockdown and curfew in Ahmedabad resulting in loss of production in the first half of the year. Thereafter, the markets bounced back and there was robust demand which led to improved margins of this division.

Also, the weaving section with 63 looms were shutdown and workers were retrenched amicably. Sale of surplus machinery of this division helped improve the cash flow.

In the current year, we expect the favorable trend in demand from the second quarter onwards and company is also working out modernisation plan to improve the product mix and quality, completion of which will augur favourably for the future of this division.

### Land & Building at Asarwa House

In order to strengthen the Cashflows of the Company we had entered into a contract with M/s Simni Infracon LLP, Ahmedabad for sale of company's bungalow situated at Asarwa House, Dr. Balwantraji Mehta Marg, Shahibaug Ahmedabad, Gujarat at a price of ₹. 33.30 Crores on 25th September, 2020. However, the same was cancelled due to the uncertain economic situation following Corona Virus (COVID 19) pandemic and the resultant lockdowns on 11<sup>th</sup> February, 2021. As and when the COVID – 19 situation in India improves we are hoping for progress on this front.

### Subsidiary of Rydak Enterprises & Investment Limited

The Company is a subsidiary of Rydak Enterprises & Investment Limited, (CIN: U15491WB1983PLC036235), Promoter with a holding of 50,60,870 equity shares i.e. 56.19% of the total Share Capital of the Company.

### MATERIAL CHANGES OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR UNDER REVIEW AND THE DATE OF THE REPORT

Except those disclosed in this Annual report, there are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations is set out in the annexure forming part of the Annual Report marked as **Annexure – “A”**.

### CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance in accordance with the Listing Regulations, approved by the Board together with a Certificate from Mrs. Swati Bajaj, (CP No. 3502, Membership No. FCS 13216) of M/s Bajaj, Todi & Associates, Practising Company Secretaries of 225D, A.J.C. Bose Road, 3rd Floor, Kolkata 700 020 regarding compliance with the conditions of Corporate Governance are set out in the annexure forming part of the Annual Report marked as **Annexure – “B”**.

Your Company has taken adequate steps for strict compliance with Corporate Governance guidelines, as amended from time to time.

### ANNUAL RETURN

In terms of Section 92(3) of the Act, the Annual Return for the financial year ended March 31, 2021 is displayed on the website of the Company [www.bengaltea.com](http://www.bengaltea.com) and forms an integral part of this Annual Report.

### BOARD MEETINGS

During the year under review 5 (five) meetings of the Board of Directors were held on 23rd May, 2020, 31st July, 2020, 15th September, 2020, 9th November, 2020 and 12th February, 2021.

Apart from meeting of the Board of Directors different committees met several times during the financial year ended 31st March, 2021.

### DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134(3)(c) OF THE COMPANIES ACT, 2013

The Directors hereby confirm that –

- in the preparation of the annual accounts for the Financial Year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgements 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;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis;



## Directors' Report

- e) they had laid down internal financial controls relating to financial matters to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government u/s 118 (10) of the Act.

### DECLARATION BY INDEPENDENT DIRECTORS

Independent Directors namely, Mr. Golam Momen (DIN: 00402662), Mr. Dharendra Kumar (DIN: 00153773), Mr. Navin Nayar (DIN: 00136057) and Mr. Ashutosh Bhagat (DIN: 00059842) have given declaration confirming that they comply with the requirements of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board of Directors, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

### DIRECTORS

Mr. Abhijit Datta, Independent Director of the Company had resigned from the Board of the Company w.e.f. 24th February, 2021 due to his old age and other preoccupations. The Board placed on record their appreciation for his continued support and guidance.

Mr. Kailash Prasad Khandelwal (DIN: 00914834) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

Brief resume of the Mr. Kailash Prasad Khandelwal (DIN: 00914834), nature of his expertise in specific functional areas and details of his directorship and membership/chairmanship of Board/ Committees, as stipulated under the Listing Regulations has been provided in the Explanatory Statement and Annexure to the Notice of the 38th AGM of the Company.

### KEY MANAGERIAL PERSONNELS

The following persons are the Key Managerial Personnels (KMP) of the Company in compliance with the provisions of the Companies Act, 2013:

- a) Mr. Adarsh Kanoria, (DIN: 00027290), Managing Director
- b) Mr. Kailash Prasad Khandelwal, (DIN: 00914834), Wholetime Director
- c) Mr. Atul Doshi, Chief Financial Officer
- d) Mrs. Sunita Shah, Company Secretary

Remuneration and other details of the KMP's for the year ended 31st March, 2021 are mentioned in the Extracts of the Annual Return which forms an integral part of this Report and is available on the Company's website viz., [www.bengaltea.com](http://www.bengaltea.com).

### NOMINATION & REMUNERATION POLICY

Pursuant to Section 178(3) of the Companies Act, 2013, Nomination and Remuneration Committee formulated the criteria for determining qualification, positive attributes and independence of a director. The Committee has also recommended to the Board a policy relating to the remuneration for directors, key managerial personnel, Senior Management of the Company and other employees. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidate.

The details of the Nomination and Remuneration Policy is available at the website of the company [www.bengaltea.com](http://www.bengaltea.com). The weblink for the same is [http://bengaltea.com/wp-content/uploads/2017/08/Nomination-Remuneration-Policy\\_6.02.2016-min.pdf](http://bengaltea.com/wp-content/uploads/2017/08/Nomination-Remuneration-Policy_6.02.2016-min.pdf)

### BOARD EVALUATION

The Companies Act, 2013 states that formal evaluation needs to be done by the Board of its own performance and that of its Committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. Listing Regulations vide Regulation 25(3) requires a meeting of Independent Directors to evaluate the performance of the Non Independent directors.

Accordingly, a meeting of the Independent Directors was held on 11th February, 2021 wherein the performance of the non-independent



## Directors' Report

directors, including the Chairman was evaluated. The annual performance evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board of Directors expressed their satisfaction with the evaluation process. The evaluation process has been explained in the Corporate Governance Report section in this Annual Report. The NRC has also reviewed the performance of individual directors based on their knowledge of preparation, effective participation in meetings, understanding of their roles as director etc.

### PUBLIC DEPOSITS

During the year 2020-21, your Company did not accept/renew any deposits and as such, no amount of principal or interest was outstanding as on 31st March, 2021.

### AUDITORS AND AUDITORS' REPORT

M/s Singhi & Co., (Firm Regn. No. 302049E) Chartered Accountants, were appointed as Statutory Auditors of the Company, to hold office for a period of 5 years from the conclusion of the 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting of the Company. The Company has received letter from the Auditors to the effect that their appointment, is within the prescribed limits under the Companies Act, 2013 and that they are not disqualified.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There is no qualification, adverse remarks or disclaimer made by the Statutory Auditors.

### SECRETARIAL AUDIT REPORT

A report made by Mrs. Swati Bajaj, (CP No. 3502, Membership No. FCS 13216) of M/s Bajaj, Todi & Associates, Practising Company Secretaries of 225D, A.J.C. Bose Road, 3rd Floor, Kolkata 700 020, pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure – "C"**. The report is free of any qualification, adverse remarks or disclaimer.

### REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditors has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board Report.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or provided any guarantees under Section 186(1) of the Companies Act, 2013. However, the details of Investments under Section 186(1) of the Companies Act, 2013 have been provided at Note No. 12 of the Financial Statements for the year ended 31st March, 2021.

### PARTICULARS OF RELATED PARTY TRANSACTIONS

During the year there were no material related party transactions with promoters, the directors or the management, their subsidiaries or relatives etc. by your Company that may have a potential conflict with the interest of the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable to your Company. All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval is obtained on a yearly basis for transactions which are of repetitive nature.

The Company has formulated a policy on Related Party Transactions. The link of the policy is [http://bengaltea.com/wp-content/uploads/2019/03/Related-Party-Transaction-policy\\_OCR.pdf](http://bengaltea.com/wp-content/uploads/2019/03/Related-Party-Transaction-policy_OCR.pdf).

All related party transactions entered during the Financial Year 2020-21 were in the ordinary course of the business and on arm's length basis which have been provided in the Notes to the Accounts.

### Disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company

The disclosures of transactions of the Company with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company is given in Note No. 46 of the Notes to the Financial Statements.

### COST AUDIT

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 the Company is required to appoint Cost Auditors to audit the cost records of the applicable products of the Company relating to the Tea and Textile Division and accordingly, such accounts are made and records have been maintained relating to Tea and Textile Divisions every year.



## Directors' Report

### PARTICULARS OF COST AUDITORS APPOINTED FOR THE FINANCIAL YEAR 2020-21

The Company has appointed the following Cost Auditors for Tea & Textile Division for the year ended 31st March, 2021:

Details of Cost Auditor	Unit Audited
<b>Name:</b> N.D. Birla & Co. <b>Address:</b> A-3, Nirant Apartment, Opposite Town Hall Near Karnavati Hospital, Ellisbridge, Ahmedabad, Gujarat- 380006 <b>Registration No. allotted by ICWAI:</b> 000028	Textile Division- Bengal Tea & Fabrics Ltd. Asarwa Mills- Ahmedabad
<b>Name:</b> D. Radhakrishnan & Co. <b>Address:</b> 11A Dover lane Flat B1/34, Kolkata- 700029 <b>Registration No. allotted by ICWAI:</b> 000018	Tea Division- Bengal Tea & Fabrics Ltd. Ananda Tea Estate- Assam

The Board of Directors, on the recommendation of Audit Committee, have re-appointed the Cost Auditors to audit the cost accounts relating to the Tea and Textile Division the Company for the financial year 2021-22. As required under the Act, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

### PARTICULARS OF EMPLOYEES

The Company had no employee who were in receipt of more than ₹ 1.02 Crores per annum during the year ended 31st March, 2021 or of more than ₹ 8.5 Lakhs per month during any part thereof. However, the information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1), 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been annexed as **Annexure – "D"**.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as per Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014, is set out in the annexure forming part of the Annual Report marked as **Annexure – "E"**.

### RISK MANAGEMENT POLICY

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. As per requirement of Section 134(3)(n) of the Companies Act, 2013 the Board of Directors in its meeting held on 10th May, 2014 had approved the Risk Management Policy. As of now, the Directors do not envisage any element of risk which may threaten the existence of the Company.

### INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate system of internal control procedures which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with the size and nature of business. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against losses and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company were monitored and evaluated by the internal auditors and their audit reports were periodically reviewed by the Audit Committee. The observations and comments of the Audit Committee are placed before the Board and suitable steps are taken to strengthen the controls.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013, the Company has formed a CSR Committee and formulated a CSR Policy. The details of the same have been annexed in the prescribed format as **Annexure – "F"**. The average net profit for last three years to current financial year 2020-21 was negative. Accordingly, there was no CSR expenditure for the current financial year.

### TRANSFER OF UNPAID DIVIDEND AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the declared dividends which remain unpaid or unclaimed for a period of seven years have been duly transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 125 of the said Act.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2021 on the



## Directors' Report

Company's website ([www.bengaltea.com](http://www.bengaltea.com)) and also on the Ministry of Corporate Affairs' website. The dividend for the undernoted years, if unclaimed for seven years, will be transferred by the Company to IEPF:

Financial Year	Date of Declaration of Dividend	Unclaimed Dividend as on 31.03.2021 (₹)
2013-14	09.08.2014	636308.00
2014-15	08.08.2015	176341.00
2015-16	01.08.2016	187946.00
2016-17	NIL	NIL
2017-18	NIL	NIL
2018-19	NIL	NIL
2019-20	NIL	NIL

Pursuant to the provision of Section 124 (6) read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "IEPF Rules") as amended, all shares in respect of which dividend has/have remained unpaid or unclaimed for consecutive seven years the corresponding shares shall also be transferred in the name of Demat Account of IEPF Authority.

Accordingly 26,779 equity shares against 435 folios corresponding to the dividend for the year ended on 31st March, 2014 which remains unclaimed for seven consecutive years will be transferred to Demat Account no. 1204720013676780 of IEPF Authority maintained with SBI CAP Securities Limited through Central Depository Services (India) Limited under IEPF RULES, 2017 on 14th September, 2021. Notice to the concerned shareholders and advertisement in Newspapers has been given to all such shareholders to make an application to the Company / Registrar & Share Transfer Agents latest by 31st August, 2021 with a request for claiming the unpaid dividend so that the shares are not transferred to the IEPF. The Company has uploaded the details of all shares transferred to Demat account of IEPF Authority as on 31st March, 2021 on the Company's website [www.bengaltea.com](http://www.bengaltea.com).

### NAME OF COMPANIES WHICH HAVE CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

None

### DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Internal Complaints Committee for the Registered Office, Tea Division and Textile Division. The following is the summary of Sexual Harassment complaints received and disposed off during the year 2020-21:

No. of Complaints pending as on 1st April, 2020: NIL

No. of Complaints received : NIL

No. of Complaints Disposed off : NIL

### ACKNOWLEDGEMENT

The Directors place on record their sincere appreciation for the assistance and co-operation extended by Banks, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the Company.

For & on behalf of the Board  
Bengal Tea & Fabrics Limited

Sd/-  
**Adarsh Kanoria**  
Managing Director  
(DIN: 00027290)

Sd/-  
**Kailash Prasad Khandelwal**  
Whole time Director  
(DIN: 00914834)

Place: Kolkata

Dated: 25th June, 2021



# Management Discussion & Analysis Report

(Forming part of Directors' Report for the financial year ended 31st March, 2021)

ANNEXURE - A

## TEA DIVISION

**Industry Structure and Developments:** India is one of the largest Black Tea producer in the world producing approximately 1255 million kgs during the calendar year 2020. Growing demand for quality teas and lower availability of common medium variety of teas has led to strong market for good quality teas during the year.

**Opportunities and Threats:** The continuous promotional efforts and better marketing and brand building initiatives taken jointly by the Government/Tea Board including TRUSTEA programmes are likely to benefit the industry in the long term.

Erratic weather conditions and shortage of labor are the main threats to the industry.

**Product-wise Performance:** During the year under review, the production of Black Tea for your company was lower as compared to previous year. Improved demand for quality teas led to improved average sales realization. The gist of performance of the division during the financial year 2020-21 is as under:

	Black Tea*		
	Production (Lakh Kgs)	Sales (Lakh Kgs)	Average Realisation (₹/Kgs)
2020-21	17.33	17.17	286.29
2019-20	23.06	23.36	201.01
Change (%)	(24.85)	(26.50)	42.43

\*excludes operation of traded goods

**Outlook:** The current season has started with inclement weather resulting in lower crop. It is expected that by the end of May, 2021 industry wise loss of crop is expected at 130 million kgs. This shortage of crop is expected to impact Average Sales realization favourably.

**Risks & Concerns:** Besides climatic conditions, global production, the rising growth of bought leaf sector, shortage of labor during peak season, increase in wages and other costs could affect the fortunes of the Tea Industry .

### Discussion on financial performance with respect to operational performance:

Though the production was lower but due to higher sales realization the profitability of the Division improved during the year under review.

## TEXTILE DIVISION

### Industry Structure and Developments:

India's textile sector is one of the oldest Industries in the Indian economy dating back several centuries. Its Textile Industry has capacity to produce wide variety of products suitable for different market segments both within India and across the world.

India's textile & apparel Industry contributed 7% to the industry output by value and 12% to export earnings and 5% of India's global trade in 2018-19. The share of India's textile and apparel exports in mercantile shipments was 11% in the year 2019-20. Textile Industry has around 4.5 cr. employed workers including the handloom segment. The export of textile Industry including all segments is estimated to be of US\$ 21 billion in the year of 2020-21.

### Road Ahead

The future of Indian Textile Industry looks promising, backed by domestic consumption as well as strong export demand. In domestic market with the rise in retail sector and online shopping portals with the likes of Reliance trends, Big Bazar, West Side, Life Styles, Max, Flipkart, Amazon, Tata Clique, Ajo etc. domestic Ready Made Garment (RMG) sector has seen rapid increase in demand.

Recently there is a huge surge in export of cotton, yarn and fabrics both woven and knit and this is going to increase with the implementation of seven Mega Integrated Textile and Apparel (MITRA) Parks in the next three years as declared in the last budget. This is going to be a huge game changer for the demand of fabrics in garment export business.

### Opportunities and threats

The Indian textile Industry has strong growth potential due to the thriving retail, online shopping portals, rise in overseas demand of Indian textile also due to reduced production on account of lockdown affecting supply, good demand is expected in the current year.





## Management Discussion & Analysis Report

Sharp increase in the raw materials prices and lockdown of the markets due to COVID -19 are the potential threats.

The gist of performance of the division during the financial year is as follows:

	Fabric		
	Production (Lakh Mtrs.)	Sales (Lakh Mtrs.)	Average Realisation (₹ Per Mtr)
2020-21	36.93	39.39	91.26
2019-20	65.60	63.70	86.19
Change (%)	(43.70)	(38.16)	5.88

### Outlook

First quarter performance has been adversely impacted due to the closure of markets on account of lockdown. As a result of which the productivity was affected.

Second quarter onwards, robust demand is expected. Therefore, the outlook for the year appears to be reasonable.

### Risk and Concerns:

The continual increase in input costs such as raw material, power, labor, interest costs, shortage of skilled workers and uncertainty of global markets are main concerns of the textile industry in addition to continuing Lockdown due to COVID-19.

### Discussion on financial performance with respect to operational performance:

Despite lower production the increase in selling price has resulted in lower losses for this division.

### Key Financial Ratios

#### A. Details of significant changes (i.e. change of 25% or more as compared to the immediately preceding previous financial year) in key financial ratios or sector specific ratios along with detailed explanations therefor:

Sl.	Key Financial Ratios *	2020-21	2019-20	Difference (%)
1	Debtors Turnover Ratio (%)	9.85	7.66	28.59
2	Inventory Turnover Ratio (%)	19.46	15.01	29.65
3	Interest Coverage Ratio (times)	5.28	2.02	161.39
4	Current Ratio(times)	1.80	1.41	27.65
5	Debt Equity Ratio(times)	0.20	0.22	(9.09)
6	Operating Profit Margin (%)	8.89	2.21	302.26
7	Net Profit Margin (%)	4.57	(1.96)	333.16

#### Notes on significant changes in financial ratios where change is > 25%

Improved profitability of Tea Division and lower losses of Textile Division has impacted favourably the profitability ratios but the operational ratios deteriorated due to impact of COVID 19 which resulted in lower sales and longer working capital cycle.

#### B. Details of any change in Return on Net Worth as compared to the immediately preceding previous financial year along with a detailed explanation thereof:

Key Financial Ratios *	2020-21	2019-20	Difference (%)
Return on Net Worth (%)	3.50	(1.50)	333.33

#### Notes on significant changes in financial ratios where change is > 25%

Improved financial performance has resulted in improvement of return on network.

#### \* Above ratios do not include those relating to Discontinued Operations

**Internal Control Systems and their Adequacy:** The Company has laid down guidelines, procedures and policies for better management control which are periodically tested and supplemented by an extensive internal audit programme. Significant findings are placed before the Audit Committee and the corrective measures are recommended for implementation. In the opinion of the management, the existing internal checks and controls are effective and adequate.



## Management Discussion & Analysis Report

**Information regarding Human Resources/Industrial Relations:** The relationships at both the Divisions were cordial with the employees throughout the year. The total numbers of manpower employed by the Textile and Tea Divisions as on 31st March, 2021 were 122 and 1532 respectively.

**Cautionary Statement:** The forward-looking statements and the views expressed in the Management Discussion and Analysis Report are based on certain assumptions. The actual results, performances or achievements may differ materially from those stated therein. The Company would not be held liable, in any manner, if the future turns out to be quite different, even materially.

For & on behalf of the Board  
**Bengal Tea & Fabrics Limited**

Sd/-  
**Adarsh Kanoria**  
*Managing Director*  
(DIN: 00027290)

Sd/-  
**Kailash Prasad Khandelwal**  
*Whole time Director*  
(DIN: 00914834)

Place: Kolkata  
Dated: 25th June, 2021



## Report on Corporate Governance

(Forming part of Directors' Report for the financial year ended 31st March, 2021)

ANNEXURE - B

### 1. Company's Philosophy on Code of Governance

Your Company's Corporate Governance philosophy is based on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders – the members, the Company's customers, employees, the Government of the land and the community. Thus, corporate governance is a reflection of a company's culture, policies, its relationship with stakeholders and its commitment to value. The Company adopts the principle of governance so that it covers all aspects of dealing and reporting in a transparent and fair manner.

We believe Corporate Governance is not just a destination but a journey to constantly improve sustainable value creation. It is an upward moving target that we collectively strive towards achieving. In addition to compliance with regulatory requirements, the Company endeavors to ensure that the highest standards of ethical and responsible conduct are met throughout the organization.

### 2. Board of Directors

Composition, Attendance & Information of other Directorships/Committee Memberships

The Board of Directors comprises of nine members (consisting of five independent non-executive directors) having experience in business, finance etc. The composition of the Board of Directors and their attendance during the financial year 2020-21 is as under:

Name of the Directors	Other Listed entities where the person is a director	Category of Directorship in Other Listed entities	No. of other Directorships <sup>1</sup>	No. of other Board Committee(s) <sup>2</sup> in which he is		Attendance at last AGM held on 15.09.2020	Attendance at Board Meetings
				Member	Chairman		
Mr. Adarsh Kanoria <sup>3</sup> -Chairman	-	-	6	-	-	Yes	5
Mr. Kailash Prasad Khandelwal	-	-	1	-	-	Yes	5
Mr. Golam Momen	1. Harrisons Malayalam Ltd. 2. Baghmari Tea Co. Ltd. 3. The Scottish Assam India Ltd. 4. Kanco Tea & Industries Ltd.	Non-Executive Independent	11	7	3	Yes	2
Mr. Dharendra Kumar	1. The Scottish Assam India Ltd. 2. J . K. Paper Ltd.	Non-Executive	8	-	-	Yes	4
Mr. Abhijit Datta <sup>4</sup>	1. Hubtown Ltd. 2. Emami Reality Ltd.	Independent-Non-Executive	3	2	2	Yes	2
Mr. Samveg A. Lalbhai	1. Atul Ltd. 2. The Anup Engineering Ltd.	Executive Non-Executive	4	-	-	Yes	2
Mr. Navin Nayar	1. Cheviot Co Ltd. 2. Kanco Tea & Industries Ltd. } 3. Amar Vanijya Ltd. 4. Kilburn Engineering Ltd. <sup>5</sup>	Independent-Non-Executive  Non-Executive	13	6	4	No	5
Mrs. Shubha Kanoria	-	-	2	-	-	Yes	5
Mr. Ashutosh Bhagat	-	-	11	-	-	Yes	4

1. Also includes directorships other than Public Limited Companies but excludes Foreign Companies.

2. For the purpose of considering the limit of committees on which Directors can serve, all Public Limited Companies whether listed or not, have been included. However, Audit Committee & Stakeholders Relationship Committee membership are only considered.

3. Mr. Adarsh Kanoria and Mrs. Shubha Kanoria are relatives.

4. Resigned on 24.02.2021.

5. Appointed w.e.f. 21.04.2021.

#### Meetings of the Board

During the Financial Year 2020-21, the Board of Directors met 5 (five) times on the following dates: 23rd May, 2020, 31st July, 2020, 15th September, 2020, 9th November, 2020 and 12th February, 2021.

#### Information about the Directors seeking appointment/re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Kailash Prasad Khandelwal (DIN: 00914834) retires by



## Report on Corporate Governance

rotation at the ensuing Annual General Meeting and being eligible, offered himself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

Brief resume of the Director, nature of his expertise in specific functional areas and details of his directorship and membership/ chairmanship of Board/ Committees, as stipulated under Listing Regulations have been provided in the Annexure to the Notice of the 38th AGM of the Company.

### Familiarisation programme for Independent Directors

The Company has formulated a module to familiarise the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through programmes in compliance of Listing Regulations. The weblink for the same is [http://bengaltea.com/wp-content/uploads/2018/04/BTFL\\_Familiarisation-Programme-7.02.2015.pdf](http://bengaltea.com/wp-content/uploads/2018/04/BTFL_Familiarisation-Programme-7.02.2015.pdf)

The Board of Directors confirm that in their opinion, the independent directors fulfill the conditions specified in the Listing Regulations and the Companies Act, 2013 and are independent of the management.

### A chart or a matrix setting out the skills/expertise/competence of the board of directors:

The Company requires skills, expertise and competencies in the areas of strategy, finance, accounting, legal and regulatory matters, the environment, sustainability and operations of the Company's businesses to efficiently carry on its core businesses such as manufacturing of tea and textiles, knowledge of markets etc.

The Board comprises of qualified members who bring in the required skills, expertise and competence as mentioned above which allow them to make effective contributions to the Board and its committees. The members of the Board are committed to ensure that the Company is in compliance with the highest standards of corporate governance.

Skills required in relation to business operations	Directors having such Skills/expertise/ competencies
Production in / Operational expertise	Mr. Adarsh Kanoria Mr. K.P. Khandelwal Mr. Dharendra Kumar Mr. Samveg A. Lalbhai Mr. Ashutosh Bhagat
Strategic Planning, Administration and Risk Management	Mr. Adarsh Kanoria Mr. K.P. Khandelwal Mrs. Shubha Kanoria Mr. Abhijit Datta* Mr. Navin Nayar
Sales and Marketing	Mr. Adarsh Kanoria Mr. K.P. Khandelwal Mr. Golam Momen Mr. Samveg A. Lalbhai Mr. Ashutosh Bhagat
Finance, Accounts, Legal, Regulatory & Corporate Governance	Mr. Adarsh Kanoria Mr. Abhijit Datta* Mr. Navin Nayar Mrs. Shubha Kanoria Mr. Dharendra Kumar Mr. Golam Momen

\*Resigned on 24.02.2021

### 3. Audit Committee

The Audit Committee comprises of 4 (four) Non-Executive Directors of whom the Chairman and the 3 (Three) members are Independent Directors. The committee has been meeting at regular intervals. The Chairman and the members of the Audit Committee have in-depth knowledge in the areas of Finance and Accounts. The Audit Committee acts as a link between the Internal and Statutory Auditors and the Board of Directors. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures.

**Terms of Reference:** The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee provides



## Report on Corporate Governance

the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Committee's purpose is to review with the Management and/or Statutory Auditors and/or Internal Auditors the following areas:

- i) Overview of the Company's financial reporting process and financial information disclosures;
- ii) Review with the Management, the annual and quarterly financial statements/results before submission to the Board;
- iii) Review with the Management, the Internal Audit Reports and the adequacy of internal control systems;
- iv) Review the adequacy and effectiveness of accounting and financial controls of the Company, compliance with the Company's policies and applicable laws and regulations;
- v) Recommending and reviewing the appointment, independence, performance and removal of Auditors and fixation of audit terms;
- vi) Review the Company's risk management policies;
- vii) Review of utilization of proceeds raised from Public/Rights issues.
- viii) Review compliance with the provisions of Code of Conduct for Prevention of Insider Trading and shall verify that the systems for internal control are adequate and are operating effectively.

The terms of reference of Audit Committee cover the areas mentioned under Part C of Schedule II of the Listing Regulations as well as Section 177 of the Companies Act, 2013.

### Composition, Meetings & Attendance

Name of the Members#	Category of Director	No. of Meetings attended	Dates on which Meetings held
Mr. Abhijit Datta – Chairman*	Independent & Non Executive	4	31.07.2020
Mr. Golam Momen	Independent & Non Executive	4	15.09.2020
Mr. Dharendra Kumar	Independent & Non Executive	4	09.11.2020
Mr. Navin Nayar#	Independent & Non Executive	3	11.02.2021

\*Resigned on 24.02.2021

#Mr. Navin Nayar has been appointed as the Chairman of the Audit Committee and Mr. Ashutosh Bhagat as the member of the Audit Committee w.e.f. 31.05.2021

The Company Secretary acts as the Secretary to the Committee. The Managing Director, Whole time Director, Chief Financial Officer, Statutory Auditors, Branch Auditors, Cost Auditors and Internal Auditors are invited for the meetings.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

### 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Terms of reference: The terms of reference of the Nomination and Remuneration Committee (NRC) has been reviewed and it covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the Listing Regulations. The terms of reference of the NRC, inter-alia are as follows:

- (a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (b) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (c) devising a policy on diversity of board of directors;
- (d) 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 of directors their appointment and removal.
- (e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (f) recommend to the board, all remuneration, in whatever form, payable to senior management.



## Report on Corporate Governance

### Composition, Meeting & Attendance

Name of the Members#	Category of Director	No. of Meetings attended	Dates on which Meetings held
Mr. Dharendra Kumar – Chairman	Independent & Non-Executive	1	The meeting of Nomination & Remuneration Committee was held on 31.07.2020
Mr. Golam Momen	Independent & Non-Executive	1	
Mr. Abhijit Datta*	Independent & Non-Executive	1	
Mr. Samveg A. Lalbhai	Non-Executive	--	

\*Resigned on 24.02.2021

#Mr. Ashutosh Bhagat has been appointed as the member of the Nomination & Remuneration Committee w.e.f. 31.05.2021

### Nomination and Remuneration Policy:

The Nomination and Remuneration (NR) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors, KMP's and Senior Management Personnel and their remuneration. The details of the Nomination and Remuneration Policy is available at the website of the company [www.bengaltea.com](http://www.bengaltea.com). The weblink for the same is [http://bengaltea.com/wp-content/uploads/2017/08/Nomination-Remuneration-Policy\\_6.02.2016-min.pdf](http://bengaltea.com/wp-content/uploads/2017/08/Nomination-Remuneration-Policy_6.02.2016-min.pdf)

### Remuneration to Directors paid during the financial year 2020-21 and other disclosures:

Name of the Director	Salary (₹)	Benefits (₹)	Contribution to PF, Gratuity and other Funds (₹)	Commission paid (₹)	Meeting Fees (₹)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. Adarsh Kanoria	30,96,000	7,56,446	3,71,520	--	--	01-01-2020 to 31-12-2022	3 Months*	5,36,137
Mr. Kailash Prasad Khandelwal	27,00,000	6,37,609	3,24,000	--	--	01-01-2020 to 31-12-2022	3 Months*	--
Mr. Golam Momen	--	--	--	--	40,000	NA	NA	750
Mr. Abhijit Datta#	--	--	--	--	1,00,000	NA	NA	--
Mr. Dharendra Kumar	--	--	--	--	1,50,000	NA	NA	--
Mr. Samveg A. Lalbhai	--	--	--	--	40,000	NA	NA	--
Mr. Ashutosh Bhagat	--	--	--	--	80,000	NA	NA	--
Mrs. Shubha Kanoria	--	--	--	--	1,00,000	NA	NA	4,49,216
Mr. Navin Nayar	--	--	--	--	1,40,000	NA	NA	--

\* Subject to discretion of Board to agree to shorter notice.

#Resigned on 24.02.2021

### Evaluation of Board & Committee

As per the requirement of Companies Act, 2013 and Listing Regulations, the Independent Directors have evaluated the performance of the Executive directors, Non-executive Directors, the Chairman of the Company and the Board as a whole. They also reviewed the quality, quantity and timeliness of flow of information between the company management and the Board.

The Nomination & Remuneration Committee evaluated the performance of the Executive directors, Non executive Directors, Key managerial Personnel and other Senior Managerial Personnel. Further the performance evaluation of the Independent Directors was carried out by the entire Board on parameters such as guidance/ support to management outside Board/ Committee meetings, degree of fulfilment of key responsibilities, effectiveness of meetings etc. The Board of Directors have also evaluated the performance of all Board level Committees viz., Audit, Nomination and Remuneration, Stakeholders' Relationship and Corporate Social Responsibility. The Directors expressed their satisfaction with the evaluation process. The same was found to be satisfactory.

### Board Evaluation criteria

As per the requirements of Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Independent Directors have carried out a performance review of the Board as a whole on the following parameters:

- The size and composition (executive, non executive, independent members and their background in terms of knowledge, skills and experience) of the Board is appropriate.
- The Board conducts itself in such a manner that it is seen to be sensitive to the interest of all stakeholders (including minority shareholders) and it has adequate mechanism to communicate with them.



## Report on Corporate Governance

- The Board is active in addressing matters of strategic concerns in its review of the Board agenda with the executive management.
- The Board makes well-informed high quality decisions on the basis of full information and clear insight into Company's business.
- The Board is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.
- The Board meets frequently enough and for sufficient duration to enhance its effectiveness.
- The Board meeting time is appropriately allocated between management presentation and Board discussion.
- The Board has a good understanding of the Company's key drivers of performance and associated risks, threats and opportunities.
- The Board devotes considerable amount of time in developing the business strategy and annual business plan.
- The Board has clearly defined the mandates of its various Committees and effectively oversees their functioning.
- The Board is effective in formulating and monitoring various financial and non financial policies and plans.
- The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
- The Board pays considerable attention to the quality of financial reporting process and internal financial controls and effectively oversees them.
- The Board regularly follows up on its decisions to ensure that action is taken on its all decisions.
- The Board gives effective advice and assistance for achieving the Company's mission and vision

After deliberation, the Committee of Independent Directors expressed their overall satisfaction.

### 5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is being headed by Mr. Golam Momen, an Independent Non-Executive Director of the Company.

#### Composition of the Committee

Name of the Members#	Category of Director
Mr. Golam Momen – Chairman	Independent & Non-Executive
Mr. Dharendra Kumar	Independent & Non-Executive
Mr. Abhijit Datta*	Independent & Non-Executive
Mr. Adarsh Kanoria	Executive

\*Resigned on 24.02.2021

#Mr. Navin Nayar was appointed as the member of the Nomination & Remuneration Committee w.e.f. 31.05.2021

Mrs. Sunita Shah, Company Secretary, is the Compliance Officer of the Company. This Committee considers and resolves the grievances of the security holders of the company. Apart from routine matters which were resolved /replied to the satisfaction of the shareholders, the status of investor complaints with regulatory authorities are as follows:

Sl. No.	INVESTOR COMPLAINTS	Number
1.	Number of Investor Complaints received during the year	1
2	Number of complaints resolved during the year till 31st March, 2021	1
3.	Number not solved to the satisfaction of the shareholders till 31st March, 2021	Nil
4.	Number of complaints pending as at 31st March, 2021	Nil

### 6. Corporate Social Responsibility Committee:

In accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board. The composition of the CSR Committee is as follows:

Name of the Members	Category of Director
Mr. Adarsh Kanoria – Chairman	Executive
Mr. Dharendra Kumar	Independent & Non-Executive
Mr. Golam Momen	Independent & Non-Executive

The Committee met on 9th November, 2020 in the financial year 2020-21. The details of the CSR Policy of the Company along with the details of CSR expenditure have been given in **Annexure - "F"** to the Directors Report.



## Report on Corporate Governance

### 7. Independent Directors Meeting

During the year under review, the Independent Directors of the Company met on 11th February, 2021 inter alia, to:

- Evaluate and review the performance of non-independent directors and the Board as a whole;
- Evaluate and assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Four independent directors of the Company were present at the meeting.

### 8. Independent Directors Database

Pursuant to MCA Notification dated 22.10.19 all Independent Directors need to have registration with the Independent Directors Database. Accordingly, the company has received the requisite disclosures from all the Independent Directors in this regard.

### 9. General Body Meetings

The details of last three Annual General Meetings (AGMs) are as under:

	Date of Meeting	Venue	Time
35th AGM	11.08.2018	Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
36th AGM	10.08.2019	Bharatiya Bhasha Parishad, 36 A Shakespeare Sarani, Kolkata 700 017	10.30 A.M.
37th AGM	15.09.2020	Century Towers, 4th Floor, 45 Shakespeare Sarani, Kolkata 700 017	11.00 A.M.

Special Resolutions were passed at the 35th AGM, 36th AGM and 37th AGM.

During the financial year 2020-21, the Company had passed Special Resolution. Mr. H.M. Choraria, (CP No. 1499, Membership No. FCS 2398) of M/s H. M. Choraria & Co., Practising Company Secretaries were appointed as Scrutinizers to conduct the voting process in a fair and transparent manner and had engaged the services of Central Depository Services (India) Limited as the agency for the purpose of providing e-voting facility. Mr. H.M. Choraria had submitted his report dated 16th September, 2020 to Mr. Adarsh Kanoria, Chairman which was as follows:

Sr. No.	Date of Declaration of Voting Results at the 37th AGM	Description	Votes in favour of the resolution		Votes against the resolution	
			No. of votes	% to total votes	No. of votes	% to total votes
1.	15.09.2020	Re-appointment of Mr. Navin Nayar (DIN: 00136057) as an Independent Director of the Company	6902204	99.9993	50	0.0007
2.	15.09.2020	Re-appointment of Mr. Ashutosh Bhagat (DIN: 00059842) as an Independent Director of the Company	6902204	99.9993	50	0.0007

### 10. Affirmations and Disclosures

#### a. Related Party Transactions

During the year under review, the Company had not entered into any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The transactions with related parties, in the normal course of business, have been disclosed separately in the Notes on Accounts. The Omnibus Approval of the Audit Committee is taken for Related Party Transactions which are regular in nature and the details of all Related Party Transactions actually entered into in the preceding quarter are placed before them. The Company has formulated a policy on Related Party Transactions. The link of the policy is [http://bengaltea.com/wp-content/uploads/2017/07/BTFL\\_RELATED-PARTY-TRANSACTION-POLICY\\_8.11.2014.pdf](http://bengaltea.com/wp-content/uploads/2017/07/BTFL_RELATED-PARTY-TRANSACTION-POLICY_8.11.2014.pdf)

#### b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years.

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of Stock Exchange and SEBI except delay in Filing of Annual report in BSE Listing Centre for the year ended 31st March, 2018 for which a fine was imposed. The company has paid the same. Apart from this there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

#### c. Vigil Mechanism

The Company has formed a Vigil Mechanism as per the provisions of the Companies Act, 2013 vide Board Meeting dated 10th May, 2014





## Report on Corporate Governance

which was revised vide Board Meeting dated 9th February, 2019 the details of which are available on the Company's Website: [www.bengaltea.com](http://www.bengaltea.com)

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Managing Director /CFO/ Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general. No personnel have been denied access to the senior management/audit committee.

### **d. Risk Management Policy**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company has formulated a Risk Management Policy the details of which are available on the Company's Website: [www.bengaltea.com](http://www.bengaltea.com) but constitution of Risk Management Committee is not applicable to the Company as per SEBI Circular No.CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014.

### **e. Commodity price risk or foreign exchange risk and hedging activities**

The Company has adequate risk assessment and minimization system in place including for commodities. The Management monitors the commodities/ raw materials whose prices are volatile and suitable steps are taken to minimize the risk. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018 pertaining to Regulation 34(3) read with clause 9(n) of Part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f. A certificate has been received from a Company Secretary in practice 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 the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

g. Total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network of which the statutory auditor is a part, is given in Note 36.1 of the notes to the Standalone Financial Statements.

h. Credit ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2021. The ratings given by CARE for short-term borrowings and long-term borrowings of the Company were A3+ and BBB Negative respectively which has been revised on 27.08.2020 during the year under review and stands at A3 and BBB Negative: Stable respectively.

### **i. Subsidiary Companies**

The Company has no subsidiary as on date. However, the Policy for determining Material Subsidiaries is formulated in terms of the requirement of the Listing Regulations by the Board of Directors of the Company. The said policy has been uploaded on the website of the Company viz. [www.bengaltea.com](http://www.bengaltea.com).

### **j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The details of number of complaints filed and disposed of during the year and pending as on 31st March, 2021 is given in the Directors' report.

### **Mandatory requirements adopted by the Company**

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

### **Non-Mandatory requirements adopted by the Company**

1. The Internal Auditor reported to the Audit Committee about the Audit Observations made by them and necessary steps were taken by the Management to rectify the same.



## Report on Corporate Governance

2. The Financial Statements are free from any Audit Qualifications.

### 11. Means of Communication

The quarterly results of the Company are generally published in “Financial Express” and “Arthik Lipi” and displayed on the website of the Company namely [www.bengaltea.com](http://www.bengaltea.com) and of the Stock Exchange: [www.bseindia.com](http://www.bseindia.com). During the year under review, the official news had also been displayed on the Company’s website but no presentation was made to the institutional investors or analysts.

Unaudited Financial Results For three months ended	Newspaper Published In	
	Financial Express	Arthik Lipi
	( English)	(Bengali)
30.06.2020	16.09.2020	17.09.2020
30.09.2020	10.11.2020	10.11.2020
31.12.2020	13.02.2021	13.02.2021

### 12. Management Discussion and Analysis Report

A “Management Discussion and Analysis Report” has been included as a part of the Directors’ Report to the shareholders as “Annexure-A” for the year ended 31st March, 2021.

### 13. General Shareholder information

Annual General Meeting: Date : 31st August, 2021  
Time : 11.30 A.M.

Financial Year : 1st April, 2020 to 31st March, 2021

Date of Book Closure : 25th August, 2021 to 31st August, 2021 (Both days inclusive)

Financial Calender (Tentative):

i.	Financial Year	1st April 2021 to 31st March 2022
ii.	First quarter results	On or before 14th August, 2021
iii.	Half yearly results	On or before 14th November, 2021
iv.	Third quarter results	On or before 14th February, 2022
v.	Audited Financial Statements	On or before 30th May, 2022

### Listing on Stock Exchanges & Stock Code

#### BSE Limited

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001  
(Stock Code – 532230)

The Company has paid the listing fees for the financial year 2021-22.

### Market Price Data and Number of Shares traded at BSE Ltd. during the Financial Year 2020-21

	April	May	June	July	August	September
High	33.30	34.40	25.00	31.50	32.00	29.75
Low	20.00	20.75	19.00	22.90	26.15	26.10
Volume	9162	7574	4459	19925	30060	4560
	October	November	December	January	February	March
High	45.10	37.25	42.75	39.80	43.00	45.35
Low	30.10	30.05	34.00	34.25	33.95	37.05
Volume	59856	22113	48504	23579	42861	13708

### Performance in comparison to broad based indices

	31.03.2021	31.03.2020	Change (%)
Share prices of BTFL (₹)	38.70	21.10	83.41%
V/s BSE Sensex	49509.15	29468.49	68.00%



## Report on Corporate Governance

**Registrar & Share Transfer Agents** : C.B. Management Services (P) Ltd.  
P-22, Bondel Road, Kolkata 700 019  
Tel No. 033-4011-6700/16/17/23/28  
Fax No. 033-4011-6739  
E-mail: rta@cbmsl.com

**Share Transfer System** : The Transfer of Shares is affected by the Registrars after necessary approval. The process of Share Transfer generally takes 2 weeks.

### Distribution of Shareholding as on 31st March, 2021

Sl. No.	Category of Shareholders (No. of Shares Held)	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Holding
1	Upto 50	6075	75.53	274545	3.05
2	51-100	823	10.23	77418	0.86
3	101-500	837	10.41	217729	2.42
4	501-1000	135	1.68	108024	1.20
5	1001-2000	67	.83	98632	1.09
6	2001-3000	23	.28	57599	0.64
7	3001-4000	11	.14	38983	0.43
8	4001-5000	12	.15	57066	0.63
9	5001-10000	19	.24	142182	1.58
10	10001 & above	41	.51	7933807	88.10
	<b>Total</b>	<b>8043</b>	<b>100</b>	<b>9005985</b>	<b>100.00</b>

### Shareholding Pattern as on 31st March, 2021

Sl. No.	Category	Number of Shares held	Percentage of Shareholding
1	Promoters	6608712	73.38
2	Institutional Investors (Financial Institutions, Insurance Companies, Banks, Mutual Funds etc)	38293	0.43
3	Body Corporates (other than above)	322764	3.58
4	Resident Public	1764946	19.58
5	NRIs' / Foreign Nationals	1562	0.02
6	The Official Trustee of West Bengal	11520	0.13
7	Clearing Members	3781	0.04
8	IEPF & Others	254407	2.84
	<b>Total</b>	<b>9005985</b>	<b>100</b>

**Dematerialisation & Liquidity of Shares** : The equity shares of the Company are under the list of "compulsorily delivery in dematerialised form by all investors" and the ISIN allotted by NSDL and CDSL is INE665D01016. Out of total equity shares of the Company, 86,74,333 equity shares have been dematerialised upto 31st day of March, 2021. The shares are regularly traded at BSE Limited.

**Outstanding GDR/ADR/Warrants or any Convertible instruments** : Nil

**Plant Locations** : Ananda Tea Estate, North Lakhimpur, Assam - 787 056  
Asarwa Mills, Asarwa Road, Ahmedabad -380 016



## Report on Corporate Governance

Address for correspondence : Share related queries/correspondences  
 Registrar & Share Transfer Agents – Address as above  
 OR  
 The Company Secretary  
 Bengal Tea & Fabrics Limited  
 Century Towers, 4th Floor,  
 45, Shakespeare Sarani, Kolkata 700 017  
 Telefax Nos.: 033 2283-6416/17  
 E-mail : investor@bengaltea.com, Website: [www.bengaltea.com](http://www.bengaltea.com)

For & on behalf of the Board  
**Bengal Tea & Fabrics Limited**

Sd/-  
**Adarsh Kanoria**  
*Managing Director*  
 (DIN: 00027290)

Sd/-  
**Kailash Prasad Khandelwal**  
*Whole time Director*  
 (DIN: 00914834)

Place: Kolkata  
 Dated: 25th June, 2021

### Annual Compliance with the Code of Conduct for the Financial Year 2020-21

Pursuant to Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Adarsh Kanoria, (DIN: 00027290) Managing Director of the Company hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended 31st March, 2021 from all the Board Members and Senior Management Personnel's.

**For Bengal Tea & Fabrics Limited**  
 Sd/-  
**Adarsh Kanoria**  
 Managing Director  
 (DIN: 00027290)

Dated: 25.06.2021  
 Place: Kolkata



## Report on Corporate Governance

### CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Bengal Tea & Fabrics Limited**

We have examined the compliance of conditions of Corporate Governance by Bengal Tea & Fabrics Limited for the year ended March 31, 2021 as per the stipulated provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.

We state that in respect of Investors' grievances received during the financial year ended on 31st March, 2021, no Investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For Bajaj Todi & Associates**

*Practising Company secretaries*

Sd/-

**Swati Bajaj**

*Partner*

M. No: A13216

C.P.No. 3502

ICSI Firm Registration Number: P2020WB081300

UDIN: A013216C000447892

Date: 11.06.2021



# Secretarial Audit Report

ANNEXURE - C

## SECRETARIAL AUDIT REPORT

for the financial year ended 31st March 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation 2015]

To,  
The Members,  
**Bengal Tea & Fabrics Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bengal Tea & Fabrics Limited (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. Securities and Exchange Board of India (Depository and Participants) Regulations, 2018
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [replaced by Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 w.e.f 10/06/2021]; and
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
3. The Company is engaged in the business of Tea & Textiles. The following laws are applicable specifically to the Company:
  - a. The Tea Act, 1953,
  - b. Assam Tea Plantation Labour Act, 1951
  - c. Food Safety Standard Act, 2006 and
  - d. Directions given by the Office of the Textile Commission and rules made thereunder
4. We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreement(s) entered into by the Company with Stock Exchange(s) as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that under the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder, there were no External Commercial borrowings made, Foreign Direct Investment received, Overseas



## Secretarial Audit Report

- Direct Investment by Residents in Joint venture/Wholly Owned Subsidiary abroad received, during the financial year under report.
6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.
  7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
  8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
  9. We further report that:
    - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year Mr. Abhijit Datta, Non-Executive Independent director resigned w.e.f 24/02/2021.
    - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  10. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Bajaj Todi & Associates  
Sd/-  
(Swati Bajaj)  
Partner

Place : Kolkata  
Date : 11.06.2021

C.P.No.: 3502, ACS:13216  
UDIN : A013216C000447826

### 'Annexure A'

To,  
The Members  
Bengal Tea & Fabrics Limited

Our report of even date is to be read along with this letter.

#### Management Responsibility:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

#### Auditors Responsibility:

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

#### Disclaimer:

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Bajaj Todi & Associates  
Sd/-  
(Swati Bajaj)  
Partner

Place : Kolkata  
Date : 11.06.2021

C.P.No.: 3502, ACS:13216  
UDIN : A013216C000447826



## Particular of Employees

"Annexure -D"

### PARTICULARS OF EMPLOYEES

#### A. PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

	Requirements of Rule 5(1)	Details
(i)	The ratio of the remuneration of each director to the median remuneration of the company for the financial year	: Mr. Adarsh Kanoria -MD - 29.05:1 Mr. Kailash Prasad Khandelwal -WTD - 25.74:1 Mr. Golam Momen - N.A. * Mr. Dharendra Kumar - N.A.* Mr. Samveg A. Lalbhai - N.A.* Mr. Abhijit Datta - N.A.*# Mr. Navin Nayar - N.A.* Mr. Ashutosh Bhagat - N.A.* Mrs. Shubha Kanoria - N.A.*
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	: <b>Directors :</b> Mr. Adarsh Kanoria -MD - NIL% Mr. Kailash Prasad Khandelwal -WTD - 2.21 % Mr. Golam Momen - N.A. Mr. Dharendra Kumar - N.A. Mr. Samveg A. Lalbhai - N.A. Mr. Abhijit Datta - N.A.# Mr. Navin Nayar - N.A. Mr. Ashutosh Bhagat - N.A. Mrs. Shubha Kanoria - N.A.  <b>Key Managerial Personnel :</b> Mr. Atul Doshi - CFO - NIL Mrs. Sunita Shah - CS - Nil
(iii)	The percentage increase in the median remuneration of employees in the financial year	: No Increase
(iv)	The number of permanent employees on the rolls of the Company	: 1654 employees as on 31.03.2021
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	: Average Salary increase of the employees were NIL % in the Tea Division and NIL % in the Textile Division, respectively  Average salary increase of the Managerial personnel were 2.34% as compared to other employees of the Company, which is reasonably comparable and hence need no justification.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	: Remuneration paid during the year ended 31st March, 2021 is as per the Remuneration Policy of the Company

\* Non-Executive /Independent Directors have been paid sitting fees only for meetings attended by them and hence not comparable to the median remuneration.

# Resigned on 24.02.2021





## Particular of Employees

### B. INFORMATION PURSUANT TO RULE 5 (2) & 5 (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED DISPLAYING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE YEAR:

Sl. No.	Name of employees	Age (Years)	Designation	Remuneration (₹ in Lakhs)	Qualification	Experience (Years)	Date of commencement of Employment	Previous employment held
1	Adarsh Kanoria*§	54	Managing Director	42.24	B.COM (HONS), Diploma in Case Studies from Harvard Business School, USA	34	01.01.1992	First Employment
2	Kailash Prasad Khandelwal	65	Whole-Time Director	36.62	B.COM	46	01.01.1974	First Employment
3	Atul Doshi	60	Chief Financial Officer	27.08	Chartered Accountant, ACMA (U.K.)	37	13.11.2014	Visa Comtrade Limited
4	Sanjay Singh Rathore	54	President	22.53	M.B.A.(Mktg.)	27	03.12.2018	Grasim Bhiwani Textile Mills Ltd.
5	Anil Kumar Tiwari#	64	General Manager - Garden	17.23	M. Sc(Bot)	33	29.02.2008	Pallorbund Tea Ltd.
6	Kushagra Kanoria	27	Vice President	16.01	B.Sc in Engineering (Computer Science) from the University of Michigan, USA	4	01.07.2017	Deutsche Bank AG, 60, Wall Street, New York, USA
7	Subhash G. Patel	58	V.P. (Processing)	15.33	B.Sc Tech (Textile Chem), Indl. Management	33	12.11.2019	Mangal Textile India Pvt. Ltd.
8	Manish Kumar Agarwal	40	AGM - Finance & Accounts	15.26	ACA, B.COM (H)	11	23.03.2015	Stone India Limited
9	Prema Sharma	56	DM - Factory (Tea)	12.28	B.A.	29	03.11.1992	First Employment
10	Sunita Shah	37	Company Secretary- Group	12.09	M.COM, FCS, LLB	12	10.09.2012	VCK Capital Market Services Limited

\* Adarsh Kanoria, Managing Director is related to Mrs. Shubha Kanoria, Non-Executive Director.

\*\* Kushagra Kanoria, Vice President, is related to Mr. Adarsh Kanoria, Managing Director and Mrs. Subha Kanoria, Non-Executive Director.

§Adarsh Kanoria and Kushagra Kanoria Holds > 2% equity shares of the Company.

# Employed for part of the year.

#### Notes:

1. Nature of Employment and duties : Contractual and in accordance with terms and conditions as per Company's rules.
2. Remuneration received includes salary, allowances, Company's contribution to retirement funds etc. and monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.



# Conservation of Energy

"Annexure -E"

## ANNEXURE TO DIRECTOR'S REPORT

INFORMATION AS PER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

### A. CONSERVATION OF ENERGY:

- (i) The steps taken or impact on conservation of energy:
  1. The Company has taken following steps to conserve the energy:

#### TEA DIVISION:

- (a) Fuel efficient ATM heater complied with UFBD drier

#### TEXTILE DIVISION:

- (a) Installation of 2 Nos Elcon Make Energy Efficient Motors.
  - (b) Started diverting waste waters of singeing and sanforise machine in reservoir and reusing the waste water of mercerise machines instead of draining.
2. Pollution Control:

#### TEA DIVISION:

The Division has set up an Effluent and water treatment plant at its factory and complied with the norms as per Assam Pollution Control Board.

#### TEXTILE DIVISION:

1. The sludge formation is lesser after using spent acid and also the COD of final treated effluent improved.
  2. The modifications in air gas mixing valves of Singeing machine have reduced the flame distance to improve the flame intensity of the singeing machine.
  3. The division complies the norms as per Gujarat Pollution Control Board (GPCB).
- (ii) The steps taken by the company for utilizing alternate sources of energy : Nil
  - (iii) The Capital Investment on energy conservation equipment: Nil

### B. TECHNOLOGY ABSORPTION:

- (i) Specific areas in which R & D carried out by the Company:

#### Tea Division:

The Division subscribes to Tea Research Association which is registered u/s 35(1)(ii) of the Income Tax Act, 1961.

#### Textile Division: NIL

- (ii) The benefits derived like products improvement, cost reduction, product development or import substitution:

#### Tea Division:

The Division benefits from the suggestions received from the Tea Research Association out of R & D activities.

#### Textile Division: NIL

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -  
Not Applicable
- (iv) The expenditure incurred on Research & Development : ₹ NIL

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year 2020-21, the Company had earned a net sum of ₹ 21.37 lakhs (net) in foreign exchange.

- i) Foreign Exchange Earnings : ₹ 25.17 Lakhs
- ii) Foreign Exchange Outgo : ₹ 3.68 Lakhs



# Annual Report on CSR Activities

"Annexure -F"

## ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31.03.2021

### 1. Brief outline on CSR Policy of the Company:

Bengal Tea & Fabrics Ltd. believes in practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and the community at large.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website [www.bengaltea.com](http://www.bengaltea.com).

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Adarsh Kanoria	Managing Director	1	1
2.	Mr. Dharendra Kumar	Independent & Non Executive	1	1
3.	Mr. Golam Momen	Independent & Non Executive	1	0

### 3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.:

<https://bengaltea.com/composition-for-board-committees.html>

<http://bengaltea.com/wp-content/uploads/2021/07/corporatesocialresponsibilitypolicy.pdf>

### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).: NIL

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
	Not Applicable		
	<b>TOTAL</b>		

### 6. Average net profit of the company as per section 135(5). : ₹ (144.72) Lakhs

### 7. a. Two percent of average net profit of the company as per section 135(5) : ₹ (2.89) Lakhs

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: nil

c. Amount required to be set off for the financial year, if any: NIL

d. Total CSR obligation for the financial year (7a+7b +7c): NIL

### 8. a. CSR amount spent or unspent for the financial year: NIL

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer
	Not Applicable				



## Annual Report on CSR Activities

b. Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State	district						Name	CSR Registration number.
1.	Not Applicable											
	Total											

c. Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of Implementation Direct (Yes/No).	Mode of implementation Through implementing agency	
				State.	District.			Name.	CSR registration number
1.	Not Applicable								
	Total								

- (d) Amount spent in Administrative Overheads : NIL  
 (e) Amount spent on Impact Assessment, if applicable : NIL  
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : NIL  
 (g) Excess amount for set off, if any : Not Applicable

Sl. No.	Particular	Amount (in Rs.)
i.	Two percent of average net profit of the company as per section 135(5)	NIL
ii.	Total amount spent for the Financial Year	NIL
iii.	Excess amount spent for the financial year [(ii)-(i)]	NIL
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.	Not Applicable						
	Total						



## Annual Report on CSR Activities

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/Ongoing.
1.	Not Applicable							
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- Date of creation or acquisition of the capital asset(s) : NIL.
- Amount of CSR spent for creation or acquisition of capital asset : NIL.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NIL.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NIL.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For & on behalf of the Board  
Bengal Tea & Fabrics Limited

Sd/-  
**Adarsh Kanoria**  
Managing Director &  
Chairman of CSR Committee  
(DIN: 00027290)

Sd/-  
**Kailash Prasad Khandelwal**  
Whole time Director  
(DIN: 00914834)

Place: Kolkata  
Dated: 25th June, 2021



# Independent Auditor's Report

To the members of  
Bengal Tea & Fabrics Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Bengal Tea & Fabrics Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statement").

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 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 Act and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Emphasis of Matter

We draw your attention to note 53 of the financial statements which explains the uncertainties and management's assessment of the financial impact on the Ind AS financial statement of the company due to the lockdown and other restrictions imposed by the Government of India and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b><u>Disclosure of Contingency, litigation &amp; Taxation</u></b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>The Company is exposed to different laws, regulations and interpretations thereof. The company is also subject to number of significant claims, litigations, regulatory including Income tax {refer note no. 40} and various matters require legal interpretation that arises from time to time in the ordinary course of business. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature. The Company is required to assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation</p> <p>We have considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <ul style="list-style-type: none"> <li>➤ Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities;</li> <li>➤ Analysed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change;</li> <li>➤ Discussed the status of significant known actual and potential litigations with the management &amp; noted that information placed before the board for such cases and</li> <li>➤ Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.</li> </ul>



## Independent Auditor's Report

### Information other than the financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report for example, corporate overview, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholders' Information, but does not include financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

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

### Responsibilities of Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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;
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d. 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements 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 significant deficiencies in internal control that we identify during our audit.



## Independent Auditor's Report

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 for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit total revenue of Rs.4325 Lakhs and Rs. NIL and total comprehensive income of Rs. (447) Lakhs and Rs. NIL of Textile Division & Real Estate Division for the year ended March 31, 2021 respectively and the total assets of Rs. 4521 Lakhs and Rs. 2032 Lakhs of Textile Division & Real Estate Division as at March 31, 2021 respectively, (including Revenue amounting to Rs. NIL, profit before tax of Rs. (7) Lakhs and assets of Rs. 40 Lakhs for the discontinued operations as disclosed in the Financial Statement- Refer Note 39) whose financial information have been audited by the other auditor and whose report has been furnished to us, and our opinion in so far as it relates to the affairs of these divisions is based solely on the report of the other auditor. Our conclusion is not modified in respect of this matter.

### 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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branch not visited by us;
  - c) The balance sheet, the statement of profit and loss, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors for the year ended March 31, 2021 is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 40 to the financial statements;
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Singhi & Co.**

*Chartered Accountants*

Firm Registration No.302049E

Sd/-

**(Aditya Singhi)**

*Partner*

Membership No. 305161

UDIN:21305161AAAAAV7373

Place: Kolkata

Dated: 25th June, 2021





## Annexure "A" to the Auditors' Report of even date

(Referred to in paragraph 2 (vi) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bengal Tea & Fabrics Limited of even date)

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
- b. During the year, fixed assets have been physically verified by the management according to a regular programme of verification in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
2. As informed to us, the inventories of the Company except for materials in transit and finished goods lying with third parties have been physically verified by the management and/or by an independent agency at the reasonable intervals. The year-end physical verification of inventories was carried out by a firm of Chartered Accountants in textile division and by the management in tea division at the Balance sheet date. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has not granted any loans secured or unsecured to companies, firms or parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
4. 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 Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7. a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Custom duty, Cess and other material statutory dues as applicable to it with the appropriate authorities. No undisputed statutory dues as above were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Date of Payment
Gujarat Industrial Development Act, 1962	Water cess	0.46	March'19	Unpaid

- b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, excise duty, service tax, and Cess, if any, which have not been deposited as at March 31, 2021, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the Amount relates	Forum where dispute is pending
Employee State Insurance	E.S.I	1.86	2004-2005	High Court, Gujarat
	Contribution	1.04	2010-2011	
Central Excise	Excise Duty	26.93	2014-15	The commission of Central Excise (Appeal), Ahmedabad
Central Excise	Excise Duty	9.19	2016-17 2017-18	The Commissioner of Central GST-Audit, Ahmedabad

8. In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
9. In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments), the term loans obtained during the year were, prima facie, applied by the company for the purpose for which they were obtained, other than temporary deployment pending application.



## Annexure "A" to the Auditors' Report of even date

10. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such cases by the management.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the said Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Kolkata  
Dated: 25th June, 2021

**For Singhi & Co.**  
*Chartered Accountants*  
Firm Registration No.302049E  
Sd/-  
**(Aditya Singhi)**  
*Partner*  
Membership No. 305161  
UDIN:21305161AAAAV7373



## Annexure “B” to the Independent Auditors' Report

(Referred to in paragraph (h) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of Bengal Tea & Fabrics Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, 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 for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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



## Annexure “B” to the Independent Auditors' Report

### Opinion

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

### Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal finance controls over financial reporting in so far as it relates to Textile Division & Real Estate Division (including discontinued operations as disclosed in the Financial Statements – Refer note 39) is based on the corresponding reports of the other auditors of the branches not visited by us. Our opinion is not modified in respect of this matter.

Place: Kolkata  
Dated: 25th June, 2021

**For Singhi & Co.**  
*Chartered Accountants*  
Firm Registration No.302049E  
Sd/-  
**(Aditya Singhi)**  
*Partner*  
Membership No. 305161  
UDIN:21305161AAAAAV7373

**Balance Sheet as at 31st March, 2021**

(Amt in ₹ lakh)

	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	6,347.94	6,655.99
Capital work-in-progress	5	154.22	219.45
Intangible assets	6	17.63	20.16
Intangible assets under development	6	11.31	1.25
		6,531.10	6,896.85
Financial Assets			
Other financial assets	7	35.43	61.45
Deferred tax assets (net)	8	686.10	703.33
Other non-current assets	9	54.11	36.78
		775.64	801.56
<b>CURRENT ASSETS</b>			
Inventories	10	3,621.12	3,877.49
Biological assets other than bearer plants	11	19.30	-
Financial assets			
Investments	12	928.82	215.38
Trade receivables	13	965.41	773.50
Cash and cash equivalents	14	62.64	143.52
Bank balances other than Note 14	15	19.63	16.84
Loans	16	12.22	63.16
Other financial assets	7	26.82	26.82
		2,015.54	1,239.22
Current tax asset (Net)	17	79.80	108.26
Other current assets	9	381.23	436.83
Assets pertaining to disposal group	39.2	40.05	89.88
Assets Held for Sale	5.2 \$	73.42	73.42
<b>Total Assets</b>		<b>13,537.20</b>	<b>13,523.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	18	901.07	901.07
Other Equity	19	8,796.60	8,500.21
		9,697.67	9,401.28
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	20	315.50	-
Other financial liabilities	25	2.05	1.80
Provisions	21	103.18	94.06
Other non-current liabilities	22	19.94	21.99
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	23	1,567.17	2,113.16
Trade payables	24		
(A) Total outstanding dues to micro and small enterprises		24.22	22.32
(B) Total outstanding dues to creditors other than micro enterprises and small enterprises		1,299.71	1,374.97
Other financial liabilities	25	151.88	122.31
		3,042.98	3,632.76
Other current liabilities	26	235.48	266.26
Provisions	27	118.67	103.63
Liabilities pertaining to disposal group	39.2	1.73	1.73
<b>Total Equity and Liabilities</b>		<b>13,537.20</b>	<b>13,523.51</b>
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements  
As per our Report annexed of even date

For **Singhi & Co.**

Chartered Accountants  
Firm Registration No. 302049E

Sd/-

**Aditya Singhi**

Partner

Membership No. 305161  
Kolkata

The 25th day of June, 2021

Sd/-  
**A. Kanoria**  
Managing Director  
(DIN:00027290)

Sd/-  
**K. P. Khandelwal**  
Whole Time Director  
(DIN: 00914834)

Sd/-  
**Atul Doshi**  
Chief Financial Officer

Sd/-  
**Sunita Shah**  
Company Secretary



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

(Amt in ₹ lakh)

	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>INCOME</b>			
Revenue from operations	28	8,831.28	11,035.63
Other income	29	467.34	115.90
		<b>9,298.62</b>	<b>11,151.53</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	3,416.56	4,549.26
Purchases of stock- in- trade	31	-	25.45
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	456.14	(426.67)
Employee benefits expense	33	2,307.54	2,602.55
Finance costs	34	183.13	238.27
Depreciation and amortization expense	35	381.08	460.37
Other expenses	36	2,150.39	3,919.14
<b>Total expenses</b>		<b>8,894.84</b>	<b>11,368.37</b>
<b>Profit/(Loss) before tax</b>		<b>403.78</b>	<b>(216.84)</b>
Tax expense:	37		
Current tax (Net of minimum alternate tax credit)		-	-
Deferred tax		67.18	(77.24)
Income Tax for earlier years		-	-
<b>Profit/(Loss) for the period from continuing operations</b>		<b>336.60</b>	<b>(139.60)</b>
Profit/(Loss) from discontinued operations	39.1	(6.51)	22.69
Tax expense of discontinued Operations	37	(1.81)	17.07
<b>(Loss)/Profit from discontinued operations (after tax)</b>		<b>(4.70)</b>	<b>5.62</b>
<b>Profit/(Loss) for the year</b>		<b>331.90</b>	<b>(133.98)</b>
<b>Other Comprehensive Income</b>	38		
i. Items that will not be reclassified to profit or loss		(35.51)	(52.37)
ii. Income tax relating to these items		-	-
Other Comprehensive Income for the Year (net of tax)		(35.51)	(52.37)
<b>Total Comprehensive Income/(Loss) for the period</b>		<b>296.39</b>	<b>(186.35)</b>
<b>Earnings Per Share</b>			
Nominal Value of Shares (₹)		10.00	10.00
Weighted Average Number of Ordinary Equity Shares outstanding during the year		90,05,985	90,05,985
<b>Basic &amp; Diluted Earnings Per Share</b>		<b>3.69</b>	<b>(1.49)</b>
-from continuing operations		3.74	(1.55)
-from discontinued operations		(0.05)	0.06
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

**For Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

Sd/-

**Aditya Singhi**

Partner

Membership No. 305161

Kolkata

The 25th day of June, 2021

Sd/-

**A. Kanoria**

Managing Director

(DIN:00027290)

Sd/-

**K. P. Khandelwal**

Whole Time Director

(DIN: 00914834)

Sd/-

**Atul Doshi**

Chief Financial Officer

Sd/-

**Sunita Shah**

Company Secretary



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

(Amt in ₹ lakh)

	For the year ended			
	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
	from Continuing Operations	from Discontinuing Operations	from Continuing Operations	from Discontinuing Operations
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before tax and after exceptional items	403.78	(6.51)	(216.84)	22.69
Finance cost	183.13	-	238.27	-
Depreciation (including amortization & impairment)	381.08	-	460.37	(4.93)
Interest received	(8.81)	-	(4.89)	(24.80)
Rent received	-	-	(0.60)	-
Deferred Income Written Back	-	-	(4.73)	-
Loss /(Profit) on Property, Plant and Equipment sold/discarded (Net)	(386.63)	-	(13.08)	1.36
Net (Gain) on sale of investments	(2.02)	-	(14.86)	-
Mark to Market (gain) on financial instruments under FVTPL	(11.41)	-	(4.89)	-
Sundry Balances Written Back /Written Off	-	-	(6.00)	-
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	<b>559.12</b>	<b>(6.51)</b>	432.75	(5.68)
<b>ADJUSTMENT FOR :</b>				
(Increase)/Decrease in trade receivables	(191.91)	-	142.61	-
(Increase)/Decrease in Non-current & current financial assets	73.42	-	(8.88)	-
(Increase) /Decrease in Non-current & current assets	18.97	49.83	(210.63)	187.27
(Increase) /Decrease in Inventories	256.37	-	(383.34)	-
Increase /(Decrease) in Trade Payables	(73.36)	-	400.03	-
Increase /(Decrease) in Non-current & current financial liabilities	29.82	-	(114.75)	-
Increase /(Decrease) in Non-current & current provisions	(11.35)	-	38.59	-
Increase /(Decrease) in Non-current & current liabilities	(32.83)	-	3.93	(2.00)
<b>Cash Generated from Operations</b>	<b>628.25</b>	<b>43.32</b>	300.31	179.59
Income Tax (Paid)/ received (Net)	(19.68)	-	(26.85)	-
<b>Net Cash Flow from Operating Activities</b>	<b>608.57</b>	<b>43.32</b>	273.46	179.59
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property, Plant and Equipment	(102.76)	-	(561.61)	-
Sale of Property, Plant and Equipment	474.06	-	26.31	16.44
Purchase of Investments	(900.00)	-	(251.00)	-
Sale of Investments	199.99	-	850.99	-
Interest Received	9.56	-	6.38	24.80
Rent Received	-	-	0.60	-
<b>Net Cash flow from Investing Activities</b>	<b>(319.15)</b>	<b>-</b>	71.67	41.24



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

(Amt in ₹ lakh)

	For the year ended			
	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
	from Continuing Operations	from Discontinuing Operations	from Continuing Operations	from Discontinuing Operations
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Decrease) / Increase in Short Term Borrowings from Banks	(545.99)	-	249.74	-
Increase / (Decrease) in Long Term Borrowings	315.50	-	(483.70)	-
Finance Cost	(183.13)	-	(230.10)	-
<b>Net Cash flow from Financing Activities</b>	<b>(413.62)</b>	<b>-</b>	<b>(464.06)</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(124.20)</b>	<b>43.32</b>	<b>(118.93)</b>	<b>220.83</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>143.52</b>	<b>-</b>	<b>41.62</b>	<b>-</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>62.64</b>	<b>-</b>	<b>143.52</b>	<b>-</b>

### Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS -7 "Statement of Cash Flows" referred to in the Companies (Accounts) Rules, 2016.
- Cash flow from operating activities for the year ended March 31, 2021 is after considering CSR expenditure of ₹ Nil lakh (previous year ₹ Nil lakh) - Refer note no. 44.
- Effective April 1, 2017, the Company adopted the amendment to IND AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities, to meet the disclosure requirement, the effect of which is given below:

Particulars	As at 31 <sup>st</sup> March 2020	Cash Flows	Non-cash adjustments		As at 31 <sup>st</sup> March 2021
			EIR effect	Current/ Non-current classification	
Borrowings -Non-Current	-	315.50	-	-	315.50
Borrowings -Current	2,113.16	(545.99)	-	-	1,567.17
Other financial Liabilities	-	57.28	-	-	57.28

- Previous year's figures have been re-grouped/re-arranged wherever necessary.

As per our Report annexed of even date

**For Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

Sd/-

**Aditya Singhi**

Partner

Membership No. 305161

Kolkata

The 25th day of June, 2021

Sd/-

**A. Kanoria**

Managing Director

(DIN:00027290)

Sd/-

**K. P. Khandelwal**

Whole Time Director

(DIN: 00914834)

Sd/-

**Atul Doshi**

Chief Financial Officer

Sd/-

**Sunita Shah**

Company Secretary



**Statement of Change in Equity for the year ended 31st March, 2021**

(Amt in ₹ lakh)

<b>a Equity Share Capital</b>				
Balance as at 1st April 2019 *				901.07
Add/(Less): Changes in Equity Share Capital during the year 2019-20				-
Balance as at 31st March 2020				901.07
Add/(Less): Changes in Equity Share Capital during the year 2020-21				-
Balance as at 31st March 2021				<b>901.07</b>
* Includes ₹ 0.47 lakh on account of forfeited shares.				
<b>b Other Equity</b>				
PARTICULARS	Surplus			Total
	General Reserve	Securities Premium	Retained Earnings	
Balance as at 1st April, 2020	2,926.89	301.60	5,271.72	<b>8,500.21</b>
Profit/ (Loss) for the Year	-	-	331.90	331.90
Remeasurement Gain/(Loss)	-	-	(35.51)	(35.51)
<b>Total Comprehensive Income</b>	-	-	<b>296.39</b>	<b>296.39</b>
Transfer to General Reserve	100.00	-	(100.00)	-
<b>Balance as at 31st March, 2021</b>	<b>3,026.89</b>	<b>301.60</b>	<b>5,468.11</b>	<b>8,796.60</b>

PARTICULARS	Surplus			Total
	General Reserve	Securities Premium	Retained Earnings	
Balance as at 1st April, 2019	2,926.89	301.60	5,458.07	<b>8,686.56</b>
Profit/ (Loss) for the Year	-	-	(133.98)	(133.98)
Remeasurement Gain/(Loss)	-	-	(52.37)	(52.37)
<b>Total Comprehensive Income</b>	-	-	<b>(186.35)</b>	<b>(186.35)</b>
<b>Balance as at 31st March, 2020</b>	<b>2,926.89</b>	<b>301.60</b>	<b>5,271.72</b>	<b>8,500.21</b>

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

Sd/-

**Aditya Singhi**

Partner

Membership No. 305161

Kolkata

The 25th day of June, 2021

Sd/-

**A. Kanoria**

Managing Director

(DIN:00027290)

Sd/-

**K. P. Khandelwal**

Whole Time Director

(DIN: 00914834)

Sd/-

**Atul Doshi**

Chief Financial Officer

Sd/-

**Sunita Shah**

Company Secretary



## Notes to Financial Statements as on and for the year ended 31st March, 2021

### 1. CORPORATE AND GENERAL INFORMATION

Bengal Tea & Fabrics Limited was incorporated in the year 1983 and later on, in the year 1985, it took over the whole undertakings of Bengal Tea & Industries Limited, earlier known as Bengal Tea Company Limited. At present the Company has interest in the business of Tea, Textiles & Real Estate. The Company is a Public Limited company incorporated and domiciled in India and has its registered office at 45, Shakespeare Sarani, Kolkata-700017 and is listed on BSE Limited.

#### 1.1. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company's Operations and financial results for the first quarter were adversely impacted by the outbreak of COVID-19 pandemic and its productions facilities were under shutdown for a significant part of the first quarter and subsequently it has achieved its normal volume of activities. In view of the impact of pandemic, the results for the year ended 31st March 2021 are therefore not comparable with those of the comparative year ended 31st March 2020. The Company has also considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of the assets and has performed sensitive analysis on the assumptions used and expects to recover the carrying amount of these assets.

### 2. BASIS OF ACCOUNTING

#### 2.1. Statement of Compliance

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

These financial statements have been approved for issue by the Board of Directors on 25<sup>th</sup> June 2021.

#### 2.2. Basis of Accounting

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Defined Benefit Plans – plan assets measured at fair value; and
- Biological Assets – At fair value less cost to sell

#### 2.3. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Part II of Schedule III, unless otherwise stated.

#### 2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### 2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

#### 2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

**An asset is classified as current when it is:**

- Expected to be realized or intended to sale or consumed in normal operating cycle;
- Held primarily for the purpose of trading;



## Notes to Financial Statements as on and for the year ended 31st March, 2021

- Expected to be realized within twelve months after the reporting period; or
- 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 the 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; or
- 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 respectively.

### 2.7. Measurement of Fair Values

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 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 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

## 3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

### 3.1. INVENTORIES

- **Raw Materials:** At Cost or Net Realizable Value whichever is lower. Cost of harvested tea leaves, produced from own gardens, is measured at fair value less cost to sell at the point of harvest of tea leaves. Cost of other raw materials is measured on weighted average basis. Cost at Textile Division is arrived at on the basis of cost of respective lots remaining in stock and related expenses.
- **Stores and Spare Parts:** Stores and Spare Parts are measured at cost or net realizable value (NRV) whichever is lower. Cost of stores except for coal is arrived at on FIFO basis in Textile Division. All stores at Tea Division and Coal at Textile Division are valued on weighted average basis.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

- **Material in Process:** Material in Process is valued at lower of cost on absorption basis and net realizable value.
- **Finished Goods:** Finished goods produced from agricultural produce are valued at lower of cost and the net realizable value (NRV). Cost is arrived at by adding the cost of conversion to the fair value of agricultural produce. Other finished goods are measured at cost on absorption basis or NRV whichever is lower.
- **Land:** Land planned for development is converted into stock-in-trade at fair market value (Cost) as at the date of conversion including expenditure relating to development of land. Cost of land and development is charged to statement of profit & loss proportional to the area sold at the time when corresponding revenue is recognized.
- **Waste :** Waste is valued at estimated realisable value.

### 3.2. Cash and Cash Equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

### 3.3. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### 3.3.1. Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

#### 3.3.2. Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or directly in equity.
- 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.

### 3.4. Property, Plant and Equipment

#### 3.4.1. Tangible Assets (Other than Bearer Plants)

##### 3.4.1.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).



## Notes to Financial Statements as on and for the year ended 31st March, 2021

- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

### 3.4.1.2. Subsequent Measurement:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

### 3.4.1.3. Depreciation and Amortization:

- Depreciation on Property, Plant & Equipment is provided under Straight Line Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation. In respect of the following assets, useful lives different from Schedule II have been considered on the basis of technical evaluation, as under:-
- In case of asset, namely, Plucking, Pruning & Power Spraying Machines depreciation is provided on Straight Line Method at the rates determined considering the useful lives of 5 years which is based on internal assessment and the management believes that the useful lives as considered above best represent the period over which the respective assets shall be expected in use.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.
- Disposal of Assets

An item of property, plant and equipment is derecognized 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 the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

### 3.4.1.4. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

### 3.4.2. Bearer Plants

#### 3.4.2.1. Recognition and Measurement:

- Bearer Plants, comprising of mature tea bushes and shade trees are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of bearer plants includes the cost of uprooting, replanting, rejuvenation and maintenance, fertilizers & agro-chemicals etc till the time it started bearing Green Tea Leaves.

#### 3.4.2.2. Subsequent Measurement:

Costs incurred for infilling including block infilling are generally recognized in the Statement of Profit and Loss unless there is a significant increase in the yield of the sections, in which case such costs are capitalized and depreciated over the remaining useful life of the respective sections.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

### 3.4.2.3. Depreciation:

- Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line method.
- The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.
- Estimated useful life of the bearer plants has been determined to be 80 years. The residual value in case of Bearer Plants has been considered as 5%.

### 3.4.2.4. Capital Work in Progress

Young tea bushes & shade trees, including the cost incurred for procurement of new seeds and maintenance of nurseries, are carried at cost less any recognized impairment losses under capital work-in-progress. Cost includes the cost of land preparation, new planting and maintenance of newly planted bushes until maturity. On maturity, these costs are classified under bearer plants. Depreciation of bearer plants commence on maturity.

## 3.5. LEASES

### 3.5.1. Company as a lessee

The Company has applied Ind AS 116-Leases, the standard, using the modified retrospective method, to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019).

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 3.5.2. Company as a lessor

#### ➤ Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

#### ➤ Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

### 3.6. Revenue Recognition

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognised for expected returns in relation to sales made, corresponding assets are recognised for the products expected to be returned.

#### 3.6.1. Sale of Products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

##### Fabric products

Fabric products comprise of sale of cotton and blended fabrics.

##### Tea

Revenue from tea comprises of sale of Black tea and other allied products.

##### Job-work

Job-work comprises of income from many processes required to be performed on textile products to arrive at desired output.

##### Real Estate

Real estate comprises of revenue from sale of land held for sale at Dholka, Ahmedabad.

##### Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revaluations, adjustment for revenue that has not materialized and adjustments for currency.

#### 3.6.2. Other Income:

**3.6.2.1. Export Incentives:** Export incentives are accounted for in the year of export.

**3.6.2.2. Interest Income:** For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

**3.6.2.3. Insurance and other claims:** Insurance and other claims to the extent considered recoverable are accounted for in the year of claim.

**3.6.2.4. Other Income:** Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

### 3.7. Employee Benefits

#### 3.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

### 3.7.2. Other Long Term Employee Benefits

Provision for other defined benefit for long term leave encashment is made based on an independent actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains and losses are recognized immediately in statement of profit and loss as income or expenses.

### 3.7.3. Post Employment Benefits

The Company operates the following post employment schemes:

#### ➤ Defined Contribution Plan

The company has defined contribution plans in the form of Provident Fund, Superannuation Fund, EDLI, ESIC, and Labour Welfare Fund and the contributions are charged to Statement of Profit & Loss of the year as and when the contributions to the respective funds are due. There are no other obligations other than contribution payable to the respective funds.

#### ➤ Defined Benefit Plans

The liability / asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability or Assets are recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

### 3.8. Government Grants

Government grants are recognised at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life.

### 3.9. Foreign Currency Transactions

- Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

### 3.10. Borrowing Costs

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.





## Notes to Financial Statements as on and for the year ended 31st March, 2021

- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

### 3.11. 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.

#### 3.11.1. Financial Assets

##### ➤ Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through Statement of profit & loss, transaction costs that are attributable to the acquisition of the financial asset.

##### ➤ Classification and Subsequent Measurement:

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

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit & Loss (FVTPL); and
- Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

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

- Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized 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 statement of profit & loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

- Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:
  - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
  - The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.
- Equity Instruments designated at FVTOCI: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair



## Notes to Financial Statements as on and for the year ended 31st March, 2021

value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

### ➤ **Derecognition:**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

### ➤ **Impairment of Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 3.11.2. Financial Liabilities

#### ➤ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### ➤ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

#### ➤ **Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### 3.11.3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

### 3.12. 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 EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

### 3.13. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

### 3.14. Provisions, Contingent Liabilities and Contingent Assets

#### 3.14.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

#### 3.14.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

#### 3.14.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

### 3.15. Intangible Assets

#### 3.15.1. Recognition and Measurement

Software which is not an integral part of related hardware, is treated as intangible asset and is stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

#### 3.15.2. Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

#### 3.15.3. Amortization

- Intangible assets are amortized over a period of five years.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

#### 3.15.4. Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to getting the assets ready for use.

### 3.16. Biological Assets and Agricultural Produce

#### 3.16.1. Biological Assets

Biological assets of the company comprise of un-harvested green tea leaves that are classified as current biological assets.

The Company recognizes biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less cost to sell of biological assets is included in Statement of Profit and Loss for the period in which it arises.

#### 3.16.2. Agricultural Produce

The Company recognizes agricultural produce when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or the cost of the assets can be measured reliably. Agricultural produce harvested from the Company's biological assets are valued at fair value less cost to sell at the point of harvest. A gain or loss arising on initial recognition of agricultural produce at fair value less cost to sell shall be included in Statement of Profit & Loss for the period in which it arises.

The Company's agricultural produce comprises of green leaves plucked from its tea estate.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

### 3.17. Operating Segment

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. Segments are organized based on businesses which have similar economic characteristics as well as exhibit similarities in nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes. "Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives/ costs attributable to the enterprise as a whole and are not attributable to segments.

### 3.18. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Division treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale;

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

### 3.19. Recent Accounting Pronouncement

New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement is disclosed below. The company intends to adopt these pronouncements when it becomes effective

The Ministry of Corporate Affairs ("MCA") notifies new Accounting Standards or amendments to the existing Accounting Standards. There is no such notification by the MCA as on the Balance sheet date which would have been applicable to the company w.e.f April 01, 2021.

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable to the company from April 1, 2021. The amendments are extensive and the company is in the process of evaluating the same and effect to them, as required by law, will be given from April 01, 2021.

## 4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:



## Notes to Financial Statements as on and for the year ended 31st March, 2021

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Right-of-use assets and lease liability**

The Company has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.

Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **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 including the Discounted Cash Flow model. The input 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.
- **Fair Value of Biological Assets:** The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Year Ended 31st March 2021								
	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value
	As at 1st April 2020	Additions	Disposals	As at 31st March 2021	As at 1st April 2020	For the Year	Deductions	As at 31st March 2021	
Freehold Land	2,361.41	-	-	2,361.41	-	-	-	-	2,361.41
Buildings & Water Supply Installation	2,872.44	1.43	-	2,873.87	397.87	112.39	-	510.26	2,363.61
Plant & Equipments	2,855.12	152.81	525.45	2,482.48	1,791.88	186.94	438.07	1,540.75	941.73
Furniture and Fixtures	391.62	0.47	0.02	392.07	131.58	41.90	-	173.48	218.59
Motor Vehicles	232.13	-	-	232.13	119.67	26.06	-	145.73	86.40
Office Equipments	6.08	0.72	0.42	6.38	3.01	0.79	0.39	3.41	2.97
Bearer Plants	413.10	-	-	413.10	31.90	7.97	-	39.87	373.23
<b>Total</b>	<b>9,131.90</b>	<b>155.43</b>	<b>525.89</b>	<b>8,761.44</b>	<b>2,475.91</b>	<b>376.05</b>	<b>438.46</b>	<b>2,413.50</b>	<b>6,347.94</b>
<b>Capital Work-in-Progres</b>	<b>219.45</b>	<b>53.11</b>	<b>118.34</b>	<b>154.22</b>	-	-	-	-	<b>154.22</b>

Particulars	Year Ended 31st March 2020								
	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value
	As at 1st April 2019	Additions	Disposals \$	As at 31st March 2020	As at 1st April 2019	For the Year \$	Deductions \$	As at 31st March 2020	
Freehold Land	2,361.41	-	-	2,361.41	-	-	-	-	2,361.41
Buildings & Water Supply Installation	2,937.12	30.01	94.69	2,872.44	305.52	113.62	21.27	397.87	2,474.57
Plant & Equipments	2,533.32	355.85	34.05	2,855.12	1,559.77	257.96	25.85	1,791.88	1,063.24
Furniture and Fixtures	371.86	19.86	0.10	391.62	90.21	41.37	-	131.58	260.04
Motor Vehicles	225.44	7.14	0.45	232.13	87.91	31.98	0.22	119.67	112.46
Office Equipments	5.52	1.25	0.69	6.08	2.86	0.75	0.60	3.01	3.07
Bearer Plants	416.07	-	2.97	413.10	24.21	7.97	0.28	31.90	381.20
<b>Total</b>	<b>8,850.74</b>	<b>414.11</b>	<b>132.95</b>	<b>9,131.90</b>	<b>2,070.48</b>	<b>453.65</b>	<b>48.22</b>	<b>2,475.91</b>	<b>6,655.99</b>
<b>Capital Work-in-Progres</b>	<b>88.95</b>	<b>142.29</b>	<b>11.79</b>	<b>219.45</b>	-	-	-	-	<b>219.45</b>

#### Notes:

5.1 Refer note no. 42 for information on property, plant and equipment pledged as securities by the Company.

5.2 Refer note no. 41.1 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.

§ - Board of directors of the Company had announced the decision of sale of the bungalow situated at Asarwa House, Dr. Balwantrai Mehta Marg, Shahibaug, Ahmedabad. Accordingly, the said bungalow had been classified under "Assets held for sale" in terms of "IND AS 105 - Non Current Assets Held for Sale and Discontinued Operations" in the financial statements. As per the said IND AS, it is required to measure the asset at lower of carrying amount and fair value less cost to sale and depreciation on such asset to cease. Accordingly the asset is measured at carrying amount.

Disposals in Buildings as at March 31, 2020 includes Gross block and Accumulated Depreciation of ₹ 94.69 lakhs and ₹ 21.27 lakhs respectively towards assets classified as held for sale and Depreciation for the respective year includes ₹ 1,28 lakhs in respect to assets classified as held for sale till the date of classification as such.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 6. INTANGIBLE ASSETS

Particulars	Year Ended 31st March 2021								
	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value
	As at 1st April 2020	Additions	Disposals	As at 31st March 2021	As at 1st April 2020	For the Year	Deductions	As at 31st March 2021	
Computer Software	32.58	2.50	-	35.08	12.42	5.03	-	17.45	17.63
<b>Total</b>	<b>32.58</b>	<b>2.50</b>	<b>-</b>	<b>35.08</b>	<b>12.42</b>	<b>5.03</b>	<b>-</b>	<b>17.45</b>	<b>17.63</b>
<b>Intangible Assets under Development</b>	<b>1.25</b>	<b>10.06</b>	<b>-</b>	<b>11.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.31</b>

Particulars	Year Ended 31st March 2020								
	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value
	As at 1st April 2019	Additions	Disposals	As at 31st March 2020	As at 1st April 2019	For the Year	Deductions	As at 31st March 2020	
Computer Software	21.29	11.29	-	32.58	8.71	3.71	-	12.42	20.16
<b>Total</b>	<b>21.29</b>	<b>11.29</b>	<b>-</b>	<b>32.58</b>	<b>8.71</b>	<b>3.71</b>	<b>-</b>	<b>12.42</b>	<b>20.16</b>
<b>Intangible Assets under Development</b>	<b>1.25</b>	<b>-</b>	<b>-</b>	<b>1.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.25</b>

### 7. OTHER FINANCIAL ASSETS

	Refer Note No.	Non-current		Current	
		As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
		Security & Other Deposits		34.45	32.74
Deposit with NABARD		-	-	12.76	12.76
Deposits with Bank	7.1 & 7.2	0.98	28.71	-	-
Interest Accrued on Deposits		-	-	2.86	3.61
Others		-	-	11.20	10.45
<b>Total</b>		<b>35.43</b>	<b>61.45</b>	<b>26.82</b>	<b>26.82</b>

7.1 Deposits of ₹ 0.98 lakh (March 31, 2020: ₹ 28.71 lakh) marked lien with bank as Security for Guarantee Facility.

7.2 Refer note No. 42 for information on Other Financial Assets pledged as securities by the Company.

### 8. DEFERRED TAX (LIABILITIES)/ ASSETS (NET)

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
<b>Deferred Tax Liabilities</b>			
Arising on account of :			
Property, Plant & Equipment		(646.81)	(550.30)
Financial Assets at Fair Value through Profit & Loss Account		(4.03)	(2.03)
Others		(10.51)	(29.45)
<b>Total</b>		<b>(661.35)</b>	<b>(581.78)</b>
<b>Less: Deferred Tax Assets</b>			
Arising on account of :			
Section 43B of Income-tax Act		27.90	36.59
Unabsorbed Losses	8.1	507.31	481.67
Others		5.03	7.78
MAT Credit Entitlements		807.21	759.07
<b>Total</b>		<b>1,347.45</b>	<b>1,285.11</b>
<b>Total (Net)</b>		<b>686.10</b>	<b>703.33</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

8.1 The recognition of deferred tax asset on unabsorbed depreciation/business losses has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is certain.

8.2 Movement in deferred tax assets and liabilities during the year ended 31st March, 2021 and 31st March, 2020:

	As at 1st April, 2020	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2021
<b>Deferred Tax Liabilities</b>				
Property, Plant & Equipment	(550.30)	(96.51)	-	(646.81)
Financial Assets at Fair Value through Profit & Loss Account	(2.03)	(2.00)	-	(4.03)
Others	(29.45)	18.94	-	(10.51)
	<b>(581.78)</b>	<b>(79.57)</b>	-	<b>(661.35)</b>
<b>Deferred Tax Assets</b>				
Section 43B of Income-tax Act	36.59	(8.69)	-	27.90
Unabsorbed Depreciation / Business Losses	481.67	25.64	-	507.31
Others	7.78	(2.75)	-	5.03
MAT Credit Entitlements	759.07	48.14	-	807.21
	<b>1,285.11</b>	<b>62.34</b>	-	<b>1,347.45</b>

	As at 1st April, 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31st March, 2020
<b>Deferred Tax Liabilities</b>				
Property, Plant & Equipment	(564.06)	13.76	-	(550.30)
Financial Assets at Fair Value through Profit & Loss Account	(25.46)	23.43	-	(2.03)
Others	(27.17)	(2.28)	-	(29.45)
	<b>(616.69)</b>	<b>34.91</b>	-	<b>(581.78)</b>
<b>Deferred Tax Assets</b>				
Section 43B of Income-tax Act	30.68	5.91	-	36.59
Unabsorbed Depreciation / Business Losses	460.94	20.73	-	481.67
Others	9.16	(1.38)	-	7.78
MAT Credit Entitlements	759.07	-	-	759.07
	<b>1,259.85</b>	<b>25.26</b>	-	<b>1,285.11</b>

8.3 Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority.





## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 9. OTHER ASSETS

	Non-current		Current	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Capital Advances	50.34	32.47	-	-
<b>Advances other than Capital Advances</b>				
Advance against supply of Goods & Services	-	-	31.60	-
Prepaid Expenses	3.77	4.09	36.51	38.09
Balances with Government & Statutory Authorities	-	0.22	301.21	384.82
Export Incentive Receivable	-	-	4.83	7.27
Other Receivables	-	-	7.08	6.65
<b>Total</b>	<b>54.11</b>	<b>36.78</b>	<b>381.23</b>	<b>436.83</b>

9.1 Refer note No. 42 for information on Other Assets pledged as securities by the Company.

### 10. INVENTORIES (As valued and certified by the Management)

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
Raw Materials	10.2	303.95	61.59
Stock in Process	10.2	780.71	1,055.55
Finished Goods	10.2	191.11	369.91
Stock-in-Trade (In respect of goods acquired for trading)	10.2	0.08	0.48
Land Held as Stock-in-trade	3.1	2,031.54	2,029.46
Stores and Spares etc.	10.1 & 10.2	313.73	358.40
Waste		-	2.10
<b>Total</b>		<b>3,621.12</b>	<b>3,877.49</b>

10.1 The above includes goods-in-transit as under:

Stores and Spares etc.	11.1 & 11.2	2.84	15.63
		<b>2.84</b>	<b>15.63</b>

10.2 Refer note no. 42 for information on inventories pledged as securities by the Company.

10.3 Refer note no. 30, 31 & 36 for information in relation to the amount of inventories recognized as expenses.

### 11 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

Fair Value of Biological Assets Other than Bearer Plants	11.1 & 11.2	19.30	-
		<b>19.30</b>	-

11.1 Unharvested Tea leaves on bushes as on 31st March 2021 was 52919 kgs (31st March 2020 -Nil kgs)

11.2 Refer note No. 42 for information on Biological Assets other than Bearer Plants pledged as securities by the Company.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 12. CURRENT INVESTMENTS

#### 12.1 INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

	Face Value (in ₹)	As at 31st March 2021		As at 31st March 2020	
		Qty (Units)	Amount	Qty (Units)	Amount
<b>Investments in Unquoted Mutual funds</b>					
Aditya Birla Sunlife Savings Fund - Growth - Direct Plan	100/-	24015.7580	102.51	-	-
Aditya Birla Sunlife Low Duration Fund - Growth - Direct Plan	100/-	37204.8890	205.40	-	-
Aditya Birla Sunlife Corporate Bond Fund - Growth - Direct Plan	10/-	289339.3190	250.95	-	-
Axis Dynamic Bond Fund - Direct Plan - Growth Plan	10/-	1009562.6440	250.48	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	100/-	33279.5870	101.42	-	-
Nippon India Low Duration Fund - Direct Growth Plan - Growth Option - LPAGG	1,000/-	187.6270	9.44	187.627	9.10
Aditya Birla Sunlife Liquid Fund - Growth - Direct Plan	100/-	2599.0600	8.62	64551.766	206.28
<b>Total</b>			<b>928.82</b>		<b>215.38</b>
Aggregate amount of NAV for unquoted investment			928.82		215.38

### 13. TRADE RECEIVABLES

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
Trade Receivables considered good -Secured	13.1, 13.2 & 13.3	-	-
Trade Receivables considered good -Unsecured		965.41	773.50
Trade Receivables which have significant increase in Credit Risk		-	-
Trade Receivables - credit impaired		-	-
Less: Provision for doubtful receivables		-	-
<b>Total</b>		<b>965.41</b>	<b>773.50</b>
<b>Break Up of Security Details</b>			
Secured, considered good		-	-
Unsecured, considered good		965.41	773.50
Doubtful		-	-
<b>Sub -Total</b>		<b>965.41</b>	<b>773.50</b>
Less: Provision for doubtful receivables		-	-
<b>Total</b>		<b>965.41</b>	<b>773.50</b>

**13.1** Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

**13.2** No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**13.3** Refer note No. 42 for information on Trade Receivables pledged as securities by the Company.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 14. CASH AND CASH EQUIVALENTS

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
Balances With Banks :	14.1		
In Current/Cash Credit Account		57.85	131.10
In Deposit Accounts with Original Maturity of less than three months		-	2.14
Cash in Hand		4.79	10.28
<b>Total</b>		<b>62.64</b>	<b>143.52</b>

14.1 Refer note No. 42 for information on Cash and Cash Equivalents pledged as securities by the Company.

### 15. BANK BALANCES (OTHER THAN NOTE: 14)

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
Unpaid Dividend Account *		10.01	13.37
Deposit Accounts with Original Maturity of more than three months but less than 12 months	15.1 & 15.2	9.62	3.47
<b>Total</b>		<b>19.63</b>	<b>16.84</b>

\* Not available for use by the Company

15.1 Represents deposits marked lien with bank as Security for Guarantee Facility.

15.2 Refer note No. 42 for information on Other Bank Balances pledged as securities by the Company.

### 16. LOANS

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
Advance to Employees	16.1 & 16.2		
Loans Receivables considered good -Secured		-	-
Loans Receivables considered good -Unsecured		9.39	14.12
Loans Receivables which have significant increase in Credit Risk ; and		-	-
Loans Receivables - credit impaired		-	-
<b>Advances Receivable in cash or in Kind or for value to be received</b>			
Advance against supply of Goods & Services		2.83	49.04
Less: Provision for doubtful receivables		-	-
<b>Total</b>		<b>12.22</b>	<b>63.16</b>

16.1 No Loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any loan are due from firms or private companies respectively in which any director is a partner, a director or a member.

16.2 Refer note No. 42 for information on Loans pledged as securities by the Company.

### 17. TAX ASSETS (NET) - CURRENT

	As at 31st March 2021	As at 31st March 2020
Advance Income Tax & Tax Deducted at Source	136.89	117.22
Less : Provision for Income Tax	57.09	8.96
<b>Total</b>	<b>79.80</b>	<b>108.26</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 18. SHARE CAPITAL

#### 18.1 Authorised Share Capital

	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Ordinary Equity Shares of ₹ 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Redeemable Preference Shares of ₹ 100/- each	5,00,000	500.00	5,00,000	500.00
<b>Total</b>		<b>2,000.00</b>		<b>2,000.00</b>

#### 18.2 Issued, Subscribed and Paid-up Share Capital \*

Ordinary Equity Shares of ₹ 10/- each fully paid-up	90,05,985	901.07	90,05,985	901.07
	<b>90,05,985</b>	<b>901.07</b>	<b>90,05,985</b>	<b>901.07</b>

\* Includes ₹ 0.47 lakh on account of forfeited shares.

#### 18.3 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

#### 18.4 Terms/ Rights attached to Equity Shares :

The Company has only one class of Ordinary Equity shares having a face value of ₹ 10 per share and each holder of Ordinary Equity shares is entitled to one vote per share. Ordinary Equity Shares transferred to Investor's Education and Protection Fund (IEPF) do not enjoy any voting rights. The Company declares and pays dividends in Indian Rupees. The dividend, as and when proposed by the Board of Directors (except interim dividend), subject to the approval of the shareholders in the Annual General Meeting, is paid to the shareholders. The claim of Ordinary Equity Shareholders on earnings and on assets in the event of liquidation, follows all others, in proportion to their shareholding.

#### 18.5 Shareholding Pattern with respect to Holding or Ultimate Holding Company

The Company has Holding Company namely Rydak Enterprises & Investment Limited, the shareholding of which is given in Note no. 18.6 .

#### 18.6 Details of Ordinary Equity Shareholders holding more than 5% shares in the Company

	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Ordinary Equity Shares of ₹ 10/- each fully paid</b>				
M/s Rydak Enterprises & Investment Limited	50,60,870	56.19%	50,60,870	56.19%
Mr. Adarsh Kanoria	5,36,137	5.95%	5,36,137	5.95%

**18.7** No Ordinary Equity shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

**18.8** The Company has not allotted any equity shares against consideration other than cash nor has allotted any shares as fully paid up by way of bonus shares nor has bought back any shares during the period of five years immediately preceding the date at which the Balance Sheet is prepared.

**18.9** No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

**18.10** No calls are unpaid by any Director or Officer of the Company during the year.

### 19. OTHER EQUITY \*

	As at 31st March 2021	As at 31st March 2020
General Reserve	3,026.89	2,926.89
Securities Premium	301.60	301.60
Retained Earnings	5,468.11	5,271.72
<b>Total</b>	<b>8,796.60</b>	<b>8,500.21</b>

\* For movement of other equity, please refer to "Statement of Changes in Equity".



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

19.1 Description of the nature and purpose of each reserve within equity is as follows:-

- General Reserve – General Reserve are free reserves of the company which are kept aside out of company's profits to meet the future requirements as and when they arise. The Company had transferred a portion of the Profit after Tax (PAT) to general reserve pursuant to the earlier provisions of Companies Act, 1956.
- Retained Earnings – Retained Earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.'
- Securities Premium Reserve - Securities premium reserve had been created consequent to issue of shares at a premium. These reserves can be utilised in accordance with Section 52 of Companies Act, 2013.

### 20. BORROWINGS

	Refer Note No.	Non-Current		Current	
		As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
<b>Term Loans</b>	20.1, 20.2 & 20.3				
From Banks:					
Working Capital Term Loans (GECL)		315.50	-	57.28	-
		<b>315.50</b>	-	<b>57.28</b>	-
Amount disclosed under Note no.25 "Other Financial Liabilities"		-	-	(57.28)	-
<b>Total</b>		<b>315.50</b>	-	-	-
Break Up of Security Details					
Secured		315.50	-	57.28	-
Unsecured		-	-	-	-
<b>Total</b>		<b>315.50</b>	-	<b>57.28</b>	-

#### 20.1 Terms of Repayment of Term Loans

Particulars	Principal Outstanding	ROI (%)	Moratorium	Terms of Repayment
State Bank of India WCTL (GECL)	222.78	7.40%	12 Months	36 EMI starting from October-2021
Industrial Development Bank of India WCTL (GECL)	48.00	8.70%	12 Months	36 EMI starting from August-2021
Punjab National Bank WCTL (GECL)	102.00	7.65%	12 Months	36 EMI starting from October-2021

#### 20.2 Details of Security Given for Loan

- Working Capital Term Loans (GECL) of ₹ 270.78 lakhs are primarily secured by 2nd Paripassu charge over entire Current Assets of Textile Division at Asarwa Mills both present and future with 2nd pari passu charge over entire fixed assets, both present and future, of Textile Division as collateral security ;

Working Capital Term Loans (GECL) of ₹ 102 lakhs are primarily secured by 2nd Paripassu charge over entire Current Assets of Tea Division and both present and future Cash Flows ranking paripassu with the entire Fixed Assets of the Tea Division of the Company, both Present as well as Future.

20.3 Refer note no. 42 for information on the carrying amounts of financial and non-financial assets pledged as security for current & non-current borrowings.

### 21. PROVISIONS -NON-CURRENT

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits	21.1	103.18	94.06
		<b>103.18</b>	<b>94.06</b>

21.1 All provisions are valued at their present value of money.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 22. OTHER LIABILITIES - NON CURRENT

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
Deferred Revenue Income	22.1	19.94	21.99
		<b>19.94</b>	<b>21.99</b>
<b>22.1 Opening Balance</b>		26.72	31.45
Grants received during the year		-	-
Less: Released to profit or loss		3.66	4.73
		23.06	26.72
Less: Current Portion of the Deferred Revenue Income	26	3.12	4.73
<b>Total</b>		<b>19.94</b>	<b>21.99</b>

### 23. SHORT TERM BORROWINGS

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
<b>Loans Repayable on Demand</b>			
Working Capital Loan from Banks	23.1	1,567.17	2,113.16
<b>Total</b>		<b>1,567.17</b>	<b>2,113.16</b>
<b>23.1 The above amount includes</b>			
Secured Borrowings	23.2	1,567.17	2,113.16
Unsecured Borrowings		-	-
<b>Total</b>		<b>1,567.17</b>	<b>2,113.16</b>

#### 23.2 Terms and conditions of Short Term Borrowings

- a Out of Working Capital Loans of ₹ 1567.17 lakhs ( P.Y. ₹ 2,113.16 lakhs ) amount of ₹ 985.52 lakhs (P.Y. ₹ 1,377.66 lakhs ) from banks are secured by:
  - i) Pari-passu First charge over entire Current Assets of the Textile Division.
  - ii) Pari-passu Second Charge over entire movable fixed assets, the whole of the immovable properties situated at Asarwa Mills.
- b Balance amount of Loans repayable on demand of ₹ 581.65 lakhs (Previous Year ₹ 735.50 lakhs ) from Bank is secured against hypothecation of green tea leaves, before and after plucking, tea in process, finished tea in stock/in-transit and /or lying with brokers/ agents , book debts (present and future), first charge over all current assets of the Tea Division (both present and future) and equitable mortgage of immovable properties and machineries of Tea Estates as additional security.
- c The Working Capital Facilities having interest rate varying between 8.55%- 10.15% p.a. are repayable on demand.
- d All Loans are guaranteed by the Managing Director.

**23.3** Refer note no. 42 for information on the carrying amounts of financial and non-financial assets pledged as security for current & non-current borrowings.

### 24. TRADE PAYABLES

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro enterprises and small enterprises	24.1	24.22	22.32
Total outstanding dues of creditors other than micro enterprises and small enterprises :			
For Goods		1,257.63	1,307.42
For Services & Others		42.08	67.55
<b>Total</b>		<b>1,323.93</b>	<b>1,397.29</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

24.1 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), are provided as under, to the extent the Company has received intimation from the Suppliers regarding their status under the Act and as per notification number GSR 679 (E) dated 4th September, 2015.

Sl. No.	Particulars	As at 31st March 2021	As at 31st March 2020
i.a	The principal amount remaining unpaid to any supplier at the end of the accounting year.	24.22	22.32
i.b	The interest due remaining unpaid to any supplier at the end of the accounting year.	-	-
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

### 25. OTHER FINANCIAL LIABILITIES

	Refer Note No.	Non-Current		Current	
		As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Current maturities of Long Term Debt	20	-	-	57.28	-
Trade & Security Deposits (Unsecured)		2.05	1.80	-	-
Interest accrued but not due on Borrowings				0.65	-
Unpaid and Unclaimed dividends	25.1	-	-	10.01	13.37
Employees related Liabilities		-	-	72.42	82.11
Amount payable for Capital Goods		-	-	1.72	9.27
Other Payables		-	-	9.80	17.56
<b>Total</b>		<b>2.05</b>	<b>1.80</b>	<b>151.88</b>	<b>122.31</b>

25.1 There are no amounts due for payment to the Investor Education and Protection Fund at the year end.

### 26. OTHER LIABILITIES -CURRENT

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
Deferred Revenue Income	22.1	3.12	4.73
Advances Received from Customers		2.39	2.25
Statutory Dues		41.32	40.74
Bonus Payable		187.02	216.94
Others		1.63	1.60
<b>Total</b>		<b>235.48</b>	<b>266.26</b>

### 27. PROVISIONS -CURRENT

	Refer Note No.	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits	27.1	118.67	103.63
<b>Total</b>		<b>118.67</b>	<b>103.63</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

27.1 All Provisions are valued at their present value of money.

### 28. REVENUE FROM OPERATIONS

	Refer Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of Products	28.4		
Textiles		3,500.06	5,565.96
Tea		4,918.16	4,768.22
Sale of Services			
Textiles		406.75	685.33
<b>Sub-total -(a)</b>		<b>8,824.97</b>	<b>11,019.51</b>
Other Operating Revenues			
Incentives & Subsidies		0.18	5.33
Sale of Waste		6.13	10.79
<b>Sub-total -(b)</b>		<b>6.31</b>	<b>16.12</b>
<b>Total (a+b)</b>		<b>8,831.28</b>	<b>11,035.63</b>

### 28.1 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Refer Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A. Revenue from contracts with customers disaggregated based on nature of product or services</b>			
<b>Revenue from sale of products</b>			
Textiles		3,500.06	5,565.96
Tea & allied products		4,918.16	4,768.22
<b>Revenue from sale of services</b>			
Job Work Receipts		406.75	685.33
<b>Other Operating Revenues</b>			
Incentives & Subsidies		0.18	5.33
Sale of Waste		6.13	10.79
<b>Total</b>		<b>8,831.28</b>	<b>11,035.63</b>
<b>B. Revenue from contracts with customers disaggregated based on geography</b>			
India		8,806.11	10,962.93
Outside India		25.17	72.70
<b>Total</b>		<b>8,831.28</b>	<b>11,035.63</b>

### 28.2 Reconciliation Of Gross Revenue With The Revenue From Contracts With Customers

	Refer Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Gross revenue		8,864.72	11,086.26
Less: Discounts		(33.44)	(50.63)
<b>Net Revenue recognised from Contracts with Customers</b>		<b>8,831.28</b>	<b>11,035.63</b>

### 28.3 Sales Channel

	Refer Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Direct to Customers		6,976.63	4,286.34
Sales through intermediaries		1,848.34	6,733.17
<b>Total</b>		<b>8,824.97</b>	<b>11,019.51</b>





## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 28.4 Other Information (additional disclosures under IND AS -115) :

- The amounts receivable from customers become due after expiry of credit period which varies from 30 to 60 days. There is no significant financing component in any transaction with the customers.
- The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.
- The Company doesn't have any contractual sale of products or services spanning over a period of time requiring the revenue adjustments for remaining performance obligations and other related disclosures. All the revenues are recognised at the point of sale /transfer of control of promised goods or services to customers in an amount that reflects the consideration expected to receive in exchange for those goods or services.

### 29. OTHER INCOME

	Refer Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Income			
On Investments			
On Banks Deposits		1.19	2.10
On Other Deposits,etc		7.62	2.79
Profit on Sale of Tea Seeds		6.66	5.88
Net Gain on sale of Investments measured at Fair Value through P/L		2.02	14.86
Net Gain on restatement of Investments (Mark to Market) measured at Fair Value through P/L		11.41	4.89
Other Non Operating Income			
Profit on sale/discard of Property, Plant & Equipments (Net)		386.63	13.08
Excess Provision/ Liabilities written back		1.91	16.91
Change in Fair Valuation of Biological Assets		19.31	-
Insurance and Other Claims (Net)		2.64	2.89
Other Miscellaneous Income	29.1	27.95	52.50
<b>Total</b>		<b>467.34</b>	<b>115.90</b>

29.1 Miscellaneous Income includes government grants in the form of subsidies related to certain incentives being made available by the Government of India for Tea Industry. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance.

### 30. COST OF MATERIALS CONSUMED

	Refer Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock		61.59	94.62
Add: Purchases		3,658.92	4,516.23
Less: Closing Stock		303.95	61.59
<b>Total</b>		<b>3,416.56</b>	<b>4,549.26</b>

### 31. PURCHASE OF TRADED GOODS

	Refer Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Tea		-	25.45
<b>Total</b>		<b>-</b>	<b>25.45</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 32. (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & TRADED GOODS

	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Finished Goods</b>		
Opening Inventories	369.91	230.64
Closing Inventories	191.11	369.91
	<b>178.80</b>	<b>(139.27)</b>
<b>Stock-in-Process</b>		
Opening Inventories	1,055.55	770.59
Closing Inventories	780.71	1,055.55
	<b>274.84</b>	<b>(284.96)</b>
<b>Stock-in-Trade</b>		
Opening Inventories	0.48	0.06
Closing Inventories	0.08	0.48
	<b>0.40</b>	<b>(0.42)</b>
<b>Stock of Waste</b>		
Opening Inventories	2.10	0.08
Closing Inventories	-	2.10
	<b>2.10</b>	<b>(2.02)</b>
<b>Total changes in inventories</b>	<b>456.14</b>	<b>(426.67)</b>

### 33. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries & Wages	1,893.80	2,162.87
Contribution to Provident and Other Funds	309.32	319.23
Staff Welfare Expenses	125.01	136.50
	2,328.13	2,618.60
Less: Amount Capitalised	20.59	16.05
<b>Total</b>	<b>2,307.54</b>	<b>2,602.55</b>

### 34. FINANCE COSTS

	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Expenses		
To Banks on Term Loans	14.12	47.15
To Banks on Working Capital Loans	153.81	182.82
Other Borrowing Costs	15.20	8.30
	183.13	238.27
Less: Amount Capitalised	-	-
<b>Total</b>	<b>183.13</b>	<b>238.27</b>

### 35. DEPRECIATION & AMORTIZATION EXPENSES

	Refer Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
On Tangible Assets	5	376.05	456.66
On Intangible Assets	6	5.03	3.71
<b>Total</b>		<b>381.08</b>	<b>460.37</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 36. OTHER EXPENSES

	Refer Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Stores, Spare Parts & Packing Materials Consumed		553.56	1,057.12
Change in fair valuation of biological assets		-	16.11
Power & Fuel		759.93	1,485.40
Repairs to Buildings		32.30	79.60
Repairs to Machinery		87.78	179.98
Repairs to Other Assets		9.00	21.72
Job Work Charges		60.41	69.80
Freight, Shipping, Delivery Charges & Selling Expenses		93.88	82.82
Commission & Brokerages		64.22	73.53
Auditors' Remuneration	36.1	4.16	5.82
Rent, Rates & Taxes		37.71	55.22
Insurance		37.04	30.09
Foreign Exchange Fluctuation (Net)		0.11	0.74
Directors' Fees & Commission		6.50	7.10
Legal and Professional Charges		31.74	49.58
Travelling & Conveyance Expenses		6.97	50.92
Corporate Social Responsibility Expenses	44	-	-
Other Expenses		390.21	660.32
		<b>2,175.52</b>	<b>3,925.87</b>
Less: Amount Capitalised		25.13	6.73
<b>Total</b>		<b>2,150.39</b>	<b>3,919.14</b>

#### 36.1 Auditors' Remuneration

	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>a. Statutory Auditors</b>		
Audit Fees	0.85	0.85
In other Capacity	0.91	1.08
<b>Sub-total</b>	<b>1.76</b>	<b>1.93</b>
<b>b. Branch Statutory Auditors</b>		
Audit Fees	1.75	1.75
Reimbursement of Expenses	-	0.69
In other Capacity	-	0.80
<b>Sub-total</b>	<b>1.75</b>	<b>3.24</b>
<b>c. Cost Auditors</b>		
Audit Fees	0.60	0.60
In other Capacity	0.05	0.05
<b>Sub-total</b>	<b>0.65</b>	<b>0.65</b>
<b>Total</b>	<b>4.16</b>	<b>5.82</b>

### 37. TAX EXPENSE

	For the year ended 31st March 2021	For the year ended 31st March 2020
Current Tax	48.84	-
Deferred Tax -Continuing Operations	67.18	(77.24)
Deferred Tax -Discontinuing Operations	(1.81)	17.07
Less : Mat Credit Entitlement	(48.84)	-
Income Tax for earlier years	-	-
<b>Total Income Tax Expenses</b>	<b>65.37</b>	<b>(60.17)</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### 37.1 Reconciliation of tax expense and the accounting profit for the year is as under :

	Refer Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Income before Income Taxes		397.27	(194.15)
Indian Statutory Income Tax Rate		27.820%	27.820%
Estimated income Tax Expenses	(A)	110.52	(54.01)
<b>Tax effect of adjustments to reconcile expected Income tax expense to reported Income Tax Expenses</b>			
Expenses not deductible in determining taxable profit		0.15	4.39
Weighted Deduction on Research & Development expenses		(0.63)	(0.98)
Adjustment in Tax Payable at different rate		-	(4.69)
Exempt Income		(3.96)	-
Others		(40.71)	(4.88)
	(B)	<b>(45.15)</b>	<b>(6.16)</b>
<b>Income Tax Expenses as per Statement of Profit &amp; Loss</b>	(A-B)	<b>65.37</b>	<b>(60.17)</b>

**37.2** Applicable Indian Statutory Income Tax rate for Fiscal Year 2020-21 & 2019-20 is 27.820% under Income Tax Act 1961 and 30% under the Assam Agricultural Income Tax Act , 1939. However, due to Government of Assam notification no FTX.90/2010/126 dated 18<sup>th</sup> December, 2020 the Tea division is under Tax Holiday from F.Y. 2020-21 to F.Y. 2022-23, there is no liability under Assam Agricultural Income Tax Act, 1939 and accordingly the Deferred Tax is calculated. Further the Company has created Deferred Tax Asset / Liabilities @27.82% for Income Tax purpose.

### 38. OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to profit or loss	For the year ended 31st March 2021	For the year ended 31st March 2020
Changes in revaluation surplus		-
Remeasurement of the defined benefit plans	(35.51)	(52.37)
Less: Tax expense on the above	-	-
<b>Total</b>	<b>(35.51)</b>	<b>(52.37)</b>

### 39. Discontinued Operations

The Board of Directors of the Company had announced the decision of closure of the Spinning section (Yarn Segment) at the Textile Division of the Company situated at Asarwa Mills, Ahmedabad w.e.f. 15th September, 2017 after obtaining requisite approvals from the shareholders. Accordingly, the results of the Yarn Division has been shown as "Discontinued Operation" in terms of "IND AS 105 - Non-Current Assets Held for Sale and Discontinued Operations" in the financial statements.

**39.1** The results of Discontinued Operations for the year are represented below:

Items that will not be reclassified to profit or loss	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Revenue</b>	-	-
Other Revenue	-	29.73
<b>Total</b>	-	<b>29.73</b>
<b>Expenditure</b>		
Other Expenses	6.51	7.04
<b>Total</b>	<b>6.51</b>	<b>7.04</b>
<b>Profit/ (Loss) before tax from Discontinued Operation</b>	<b>(6.51)</b>	<b>22.69</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

39.2 The major classes of assets and liabilities of Yarn Division classified as "Held for Disposal" as at March 31, 2021 are as follows:

Refer Note no. 42 for information on the Carrying amount of assets "held for disposal" pledged as security for current and non-current borrowings.

	As at 31st March 2021	As at 31st March 2020
<b>Assets</b>		
Other Current Assets	-	34.80
Current Financial Assets	9.87	9.87
Inventories	30.18	45.21
<b>Assets pertaining to "Disposal group"</b>	<b>40.05</b>	<b>89.88</b>
<b>Liabilities</b>		
Other Payables	1.73	1.73
<b>Liabilities pertaining to "Disposal Group"</b>	<b>1.73</b>	<b>1.73</b>

39.3 Refer Note No.42 for information on the carrying amount of assets "held for disposal" pledged as security for current and non-current borrowings.

### 40. CONTINGENT LIABILITIES

#### 40.1 Claims/Disputes/Demands not acknowledged as debts :

Sl. No.	Particulars	As at 31st March 2021	As at 31st March 2020
a	Claims not acknowledged as debts - Labour Matters	115.91	118.78
b	Guarantees given by Bankers	48.27	111.60
c	Disputed Service Tax and Excise Matters	52.12	52.12
d	Disputed Sales Tax demand including interest thereon	-	1.95

40.2 In respect of the matters in note no. 40.1, future cash outflows are determinable only on receipt of judgements/decisions pending at various forums/ authorities. Furthermore, there is no possibilities of any reimbursements to be made to the Company from any third party.

### 41 Commitments

#### 41.1 Estimated amount of contracts remaining to be executed on Capital Account and not provided for:

Particulars	As at 31st March 2021	As at 31st March 2020
Estimated amount of contracts remaining to be executed on Capital Account	155.80	120.07
Less: Advance	50.34	32.47
<b>Net Amount</b>	<b>105.46</b>	<b>87.60</b>

#### 41.2 Leases

The Company has adopted Ind AS 116 'Leases' effective April 1, 2019 and applied the Standard to its leases, pursuant to which it has reclassified its leased asset as Right-of-Use Assets. The impact on the profit for the year is not material. Payment made towards short-term leases is ₹ 4.95 lakhs during the year (Previous Year ₹ 5.06 Lakhs) (included in Rent, Rates & Taxes under "Other Expenses").



## Notes to Financial Statements as on and for the year ended 31st March, 2021

### 42. Assets pledged as security

(Amt in ₹ lakh)

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at 31st March 2021	As at 31st March 2020
Non-current Assets		
Property, Plant and Equipment	6,347.94	6,655.99
Capital Work-In-Progress	154.22	219.45
Other Financial Assets	35.43	61.45
Other Non-Current Assets	54.11	36.78
<b>Total Non-current assets pledged as security</b>	<b>6,591.70</b>	<b>6,973.67</b>
Current Assets		
Inventories	1,589.58	1,848.03
Biological Assets other than bearer plants	19.30	-
Trade Receivables	965.41	773.50
Cash & Cash equivalents	62.64	143.52
Other Bank Balances	9.62	3.47
Loans	12.22	63.16
Other Financial Assets	26.82	26.82
Other Current Assets	381.23	436.83
Assets pertaining to Disposal Group	40.05	89.88
Assets Held for Sale	-	73.42
<b>Total current assets pledged as security</b>	<b>3,106.87</b>	<b>3,458.63</b>
<b>Total assets pledged as security</b>	<b>9,698.57</b>	<b>10,432.30</b>

### 43. Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013

#### 43.1 Defined Contribution Plan:

The Company makes a contribution for Provident Fund, EDLI, ESIC & Labour Welfare Fund towards defined contribution plans for eligible employees. The amount recognized as an expense for the Defined Contribution Plans when the contributions to the respective funds are due which for the financial year ended are as under:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Provident Fund	173.45	243.60
Labour Welfare Fund	0.19	0.19
Employee State Insurance Scheme	3.54	9.79

#### 43.2 Defined Benefit Plan

The following are the types of defined benefit plans :

##### a Gratuity Plan (Funded)

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covers the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's salary and tenure of employment. Vesting occurs upon completion of five years of service. The amount of gratuity payable is the proportionate salary for 15 days multiplied for the number of years of service based on the 26 days average salary computed on the basis of last drawn basic salary per month.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### b Other Defined Benefits (Un-Funded):

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss.

The Company recognises undiscounted amount of short term employee benefits during the accounting period based on service rendered by the employee. During the year ended 31st March 2021, Company has paid ₹ 64.80 lakhs towards short term leave benefits (31st March 2020 ₹ 49.83 lakhs).

### c Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

<b>Asset Liability Matching (ALM) Risk</b>	The Group Gratuity plans of the Insurance Companies faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
<b>Interest Rate Risk</b>	A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the market value of the assets depending on the duration of asset.
<b>Salary Risk</b>	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
<b>Investment Risk</b>	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
<b>Concentration Risk</b>	The Group Gratuity plans of the Insurance Companies has a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow stringent regulatory guidelines which mitigate risk.
<b>Mortality Risk</b>	Since the Gratuity is accrued till and payable on retirement/ resignation/termination only as the case may be provided the vesting period of 5 years is completed. The Company has fixed retirement age of 58 years and 60 years for different set of employees. Hence, plans does not have any longevity risk.

### d Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2020-21	2019-20
Balance at the beginning of the year	1,075.70	965.64
Current Service Cost	68.83	52.91
Past Service Cost	47.94	2.62
Interest Cost on Defined Benefit Obligation	73.21	74.60
<b>Actuarial Gain and Losses arising from</b>		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(10.22)	90.93
Experience Adjustment	46.47	(26.00)
Benefits Paid from the Plan Assets	(186.70)	(85.00)
<b>Balance at the end of the year</b>	<b>1,115.23</b>	<b>1,075.70</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### e Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	Gratuity	
	2020-21	2019-20
Balance at the beginning of the year	978.63	897.09
Interest Income on Plan Assets	62.93	67.98
<b>Remeasurement of Defined Benefit Obligation:</b>		
Change in financial assumptions	-	-
Return on plan assets greater/ (lesser) than discount rate	0.74	12.56
Employer Contributions to the Plan	121.29	86.00
Benefits Paid from the Plan Assets	(186.70)	(85.00)
<b>Balance at the end of the year</b>	<b>976.89</b>	<b>978.63</b>

### f Expenses recognised in the Statement of profit & loss

Particulars	Gratuity	
	2020-21	2019-20
Current Service Cost	68.83	52.91
Past Service Cost	47.94	2.62
Interest Cost	73.21	74.60
Interest Income on Plan Assets	(62.93)	(67.98)
<b>Amount recognised in the statement of Profit &amp; Loss</b>	<b>127.05</b>	<b>62.15</b>

### g Remeasurements recognised in Other Comprehensive Income

Particulars	Gratuity	
	2020-21	2019-20
Actuarial (gain)/ Loss on defined benefit obligation	36.25	64.93
Return on plan assets greater/ (lesser) than discount rate	(0.74)	(12.56)
<b>Amount recognised in Other Comprehensive Income [Loss / (Gain)]</b>	<b>35.51</b>	<b>52.37</b>

### h Percentage Breakdown of Major Categories of Plan Assets

Particulars	Gratuity			
	2020-21		2019-20	
	Tea	Textile	Tea	Textile
Qualified Insurance Policy	100%	-	100%	-
Debt Instruments including Central / State Government Debt Securities	-	54%	-	31%
Public Sector/Financial Institution Bonds	-	32%	-	61%
Cash & Cash equivalents	-	14%	-	8%

### i Asset-Liability Matching Strategy

The Company deploys its fund in bonds, special deposit, Life Insurance Corporation and other insurance companies in Textile Division and has Group Gratuity insurance policy with insurers in Tea Division. The Company aims to maintain a close to full-funding position at each Balance Sheet date. Any deviation from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the coming years.





## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

### j Actuarial Assumptions

Particulars	Tea		Textile	
	2020-21	2019-20	2020-21	2019-20
<b>Financial Assumptions</b>				
Discount Rate	6.93%	6.86%	6.90%	6.60%
Salary Escalation Rate	7.00%	7.00%	4.75%	4.75%
<b>Demographic Assumptions</b>				
Mortality Rate	IALM 2006-08 Ultimate		IALM 2012-14 Ultimate	
Withdrawal Rate	1% p.a.	1% p.a.	0.2% p.a.	0.2% p.a.

k The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

l At 31st March 2021, the weighted average duration of the defined benefit obligation was 11 years in Tea Division & 12 years in Textile Division (previous year 11 years in both Tea & Textile Divisions).

m A separate trust fund is created to manage the gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of the Income Tax Rules, 1962. As such there were no plan amendments, curtailments and settlements. The Company expects to contribute ₹ 166 lakh (previous year ₹ 97 lakh) to its gratuity fund in 2021-22.

### n Sensitivity Analysis

The sensitivity analysis below have been determined based on a method that extrapolates the impact on defined benefit obligation (DBO) as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Gratuity			
	2020-2021		2019-20	
	Tea	Textile	Tea	Textile
Effect on DBO due to 1.0% increase in Discount Rate	(87.62)	(10.48)	(69.84)	(18.29)
Effect on DBO due to 1.0% decrease in Discount Rate	103.96	12.53	82.62	21.85
Effect on DBO due to 1.0% increase in Salary Escalation Rate	102.83	12.68	81.67	22.04
Effect on DBO due to 1.0% decrease in Salary Escalation Rate	(88.33)	(10.77)	(70.36)	(18.75)
Effect on DBO due to 1.0% increase in the Withdrawal Rate	(0.93)	(2.19)	(1.16)	(3.27)
Effect on DBO due to 1.0% decrease in the Withdrawal Rate	1.02	0.48	1.29	0.71

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

44. In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility activities, the requisite disclosure is as follows:

As per computation U/s 198, ₹ Nil is required to be spent by the Company on account of Corporate Social Responsibility.

45. Certain trade receivables, loans & advances and creditors are subject to confirmation. In the opinion of the management, the value of trade receivables and loans & advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

### 46. Related Party Disclosures

(Amt in ₹ lakh)

#### 46.1 Other related parties with whom transactions have taken place during the year and previous year are:

Nature	Name	Designation
Key Management Personnels (KMP)	Sri Adarsh Kanoria	Managing Director
	Sri Kailash Prasad Khandelwal	Whole-Time Director
	Smt Shubha Kanoria	Non-Executive Director
	Sri Samveg A. Lalbhai	Non-Executive Director
	Sri Navin Nayar	Independent Director
	Sri Golam Momen	Independent Director
	Sri Dharendra Kumar	Independent Director
	Sri Ashutosh Bhagat	Independent Director
	Sri Abhijit Datta (Since resigned w.e.f. 24.02.2021)	Independent Director
	Sri Kushagra Kanoria	Vice President
	Sri Atul Doshi	Chief Financial Officer
	Smt Sunita Shah	Company Secretary
	Sri Ashok Kumar Nangalia	KMP (As per definition of IND AS)
	Sri Deepak Kumar Saraf	KMP (As per definition of IND AS)
	Sri Pradeep Kumar Goenka	KMP (As per definition of IND AS)

Nature	Name of the Company
Name of the Company / Trusts in which Directors/ Key Managerial Personnel (KMP) and their relatives have significant influence	Rydak Enterprises & Investment Limited (Ultimate Holding Company)
	Kanoria Exports Private Limited
	AKV Textiles Limited
	Meenakshi Properties Private Limited
	Shivshakti Arts Private Limited
	Ananda Seva Kosh
Employee Benefit Funds	Bengal Tea & Fabrics Limited Unit Asarwa Mills Employee's Gratuity Trust Fund
	Bengal Tea & Fabrics Limited-Tea Division Employee's Gratuity Fund

#### 46.2 Transactions during the year

Particulars	2020-2021			2019-2020		
	KMP	Employee Benefit Funds	Companies in which KMP's are interested	KMP	Employee Benefit Funds	Companies in which KMP's are interested
Rent Received	-	-	-	-	-	0.60
Director's sitting fees	6.50	-	-	7.10	-	-
Salary & Other Benefits	150.25	-	-	169.75	-	-
Reimbursement of Expenses	1.47	-	(0.78)	-	-	-
Sale of Goods	-	-	125.52	-	-	107.76
Contribution to Employees Benefit Funds	-	118.76	-	-	86.00	-

#### 46.3 Key Management Personnel compensation \*

Particulars	2020-21	2019-20
Short Term Employee Benefits	150.25	169.75
Post Employment Benefits	-	-
Long Term Benefits	-	-
<b>Total Compensation</b>	<b>150.25</b>	<b>169.75</b>

#### \* Notes :

1) Short term employee benefits includes the perquisites calculated as prescribed under the Income Tax Act, 1961.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

- 2) The Company contributes equal amount to the employees Provident Fund within the statutory limits as prescribed under the relevant Act.
- 3) Post-employment benefits & other long-term benefits are disclosed based on actual payment made on retirement/resignations of services, but does not include provisions made on actuarial basis as gratuity and leave encashment are provided on an actuarial valuation basis for the Company as whole, the amount pertaining to individual is not ascertainable.

### 46.4 Terms and Conditions of transactions with Related Parties

- i) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- ii) The Company doesn't have any balances outstanding with related parties as at the end of the financial year.

### 47. Fair value of Financial Assets and Financial Liabilities

As at 31st March 2021 and 31st March 2020

(Amt in ₹ lakh)

Particulars	31st March 2021			31st March 2020		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investment						
- Mutual Funds	928.82	-	-	215.38	-	-
Trade Receivables	-	-	965.41	-	-	773.50
Loans	-	-	12.22	-	-	63.16
Cash & Cash equivalents	-	-	62.64	-	-	143.52
Other Bank Balances	-	-	19.63	-	-	16.84
Other Financial Assets	-	-	62.25	-	-	88.27
<b>Total Financial Assets</b>	<b>928.82</b>	<b>-</b>	<b>1,122.15</b>	<b>215.38</b>	<b>-</b>	<b>1,085.29</b>

Particulars	31st March 2021			31st March 2020		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Liabilities</b>						
Borrowings	-	-	1,939.95	-	-	2,113.16
Trade Payables	-	-	1,323.93	-	-	1,397.29
Other Financial Liabilities	-	-	96.65	-	-	124.11
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,360.53</b>	<b>-</b>	<b>-</b>	<b>3,634.56</b>

### 48. Fair Values

48.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

Particulars	31st March 2021		31st March 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Trade Receivables	965.41	965.41	773.50	773.50
Loans	12.22	12.22	63.16	63.16
Cash & Cash equivalents	62.64	62.64	143.52	143.52
Other Bank Balances	19.63	19.63	16.84	16.84
Other Financial Assets	62.25	62.25	88.27	88.27
<b>Total Financial Assets</b>	<b>1,122.15</b>	<b>1,122.15</b>	<b>1,085.29</b>	<b>1,085.29</b>
<b>Financial Liabilities</b>				
Borrowings	1,939.95	1,939.95	2,113.16	2,113.16
Trade Payables	1,323.93	1,323.93	1,397.29	1,397.29
Other Financial Liabilities	96.65	96.65	124.11	124.11
<b>Total Financial Liabilities</b>	<b>3,360.53</b>	<b>3,360.53</b>	<b>3,634.56</b>	<b>3,634.56</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

48.2 The management assessed that the fair values of Cash & Cash equivalents, trade receivables, trade payables, short term borrowings and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

48.3 For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

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

### 49 Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

#### 49.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

Particulars	As at 31st March 2021			As at 31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment at FVTPL						
Mutual Funds	928.82	-	-	215.38	-	-
<b>Total Financial Assets</b>	<b>928.82</b>	<b>-</b>	<b>-</b>	<b>215.38</b>	<b>-</b>	<b>-</b>

#### 49.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed

Particulars	As at 31st March 2021			As at 31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Trade Receivables	-	-	965.41	-	-	773.50
Loans	-	-	12.22	-	-	63.16
Cash & Cash equivalents	-	-	62.64	-	-	143.52
Other Bank Balances	-	-	19.63	-	-	16.84
Other Financial Assets	-	-	62.25	-	-	88.27
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>1,122.15</b>	<b>-</b>	<b>-</b>	<b>1,085.29</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	1,939.95	-	-	2,113.16
Trade Payables	-	-	1,323.93	-	-	1,397.29
Other Financial Liabilities	-	-	96.65	-	-	124.11
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,360.53</b>	<b>-</b>	<b>-</b>	<b>3,634.56</b>

49.3 During the year ended 31st March 2021 and 31st March 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

#### 49.4 Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as described in Note no. 2.7.

### 50 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the Company, the Company has risk management policies as described below :-

#### 50.1 Credit Risk

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, Cash & Cash equivalents, financial guarantees and derivative financial instruments. None of the financial instruments of the Company result in material concentration of credit risks.



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

Credit risk on receivables is minimum since sales through different mode (e.g.. auction, consignment, private - both domestic and export) are made after judging credit worthiness of the customers, advance payment or against letter of credit by banks. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties, the Company is not expecting any material risk on account of non-performance by any of the parties.

For derivative and financial instruments, the Company manages its credit risks by dealing with reputable banks and financial institutions. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying value of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

### Trade Receivables:

Ageing schedule	Not due	0-60 days past due	61-180 days past due	More than 180 Days past due
Gross carrying amount	17.62	794.72	92.07	61.00
Expected loss rate	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables (net of impairment)	17.62	794.72	92.07	61.00

### 50.2 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short-term fund based lines, which provides healthy liquidity and these carry highest quality credit rating from reputed credit rating agency.

#### 50.2.1 Fund Management

Management monitors rolling forecasts of the Company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and Cash & Cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### 50.2.2 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2021. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Trade payables	178.52	1,145.41	-	-	-	1,323.93
Borrowings	1,567.17	1.33	55.95	315.50	-	1,939.95
Other financial liabilities	86.96	7.63	-	-	2.06	96.65
<b>Total</b>	<b>1,832.65</b>	<b>1,154.37</b>	<b>55.95</b>	<b>315.50</b>	<b>2.06</b>	<b>3,360.53</b>

#### b The following are the remaining contractual maturities of financial liabilities as at 31st March 2020

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Trade payables	241.43	1,155.86	-	-	-	1,397.29
Borrowings	2,113.16	-	-	-	-	2,113.16
Other financial liabilities	64.66	57.65	-	-	1.80	124.11
<b>Total</b>	<b>2,419.25</b>	<b>1,213.51</b>	<b>-</b>	<b>-</b>	<b>1.80</b>	<b>3,634.56</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

### 50.3 Market Risk

(Amt in ₹ lakh)

#### 50.3.1 Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the U.S.Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

Since the Company's financials are prepared and reported in INR which also is the functional currency of the Company and as it doesn't have any foreign associate, subsidiary etc, there is no translation risk involved. On the date of financial results, Company doesn't have significant foreign currency trade payables and receivables etc. and is, therefore, not exposed to foreign exchange risk.

#### a Exposure to Currency risk

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

##### Unhedged Foreign Currency Exposure

Particulars	31st March 2021		31st March 2020	
	USD	INR	USD	INR
<b>Financial Assets</b>				
Trade Receivables	-	-	-	-
<b>Financial Liabilities</b>				
Trade Payables	-	-	-	-
<b>Net Exposure in Foreign Currency</b>	-	-	-	-

#### b Sensitivity Analysis

Since, the Company doesn't have foreign currency operations, the analysis is not reported.

#### 50.3.2 Interest Rate Risk

The Company is exposed to risk due to interest rate fluctuation, on the following:

- Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rate of interest. However, Company does not have any interest bearing financial asset or liability at the end of the financial year ended 31st March 2021.
- The interest rate risk can also impact the provision for retiral benefits. The Company generally utilizes variable rate borrowings and therefore subject to interest rate risk, as both the carrying amount and the future cash flows will fluctuate because of change in the market interest rates.

During 31st March 2021 and 31st March 2020, all the Company's borrowings were at variable rate mainly denominated in INR.

#### (i) Exposure to interest rate risk

Particulars	31st March 2021	31st March 2020
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	1,939.95	2,113.16
	<b>1,939.95</b>	<b>2,113.16</b>

#### (ii) Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense on borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Sensitivity Analysis	31st March 2021		31st March 2020	
		Impact on		Impact on	
		Profit before tax	Other Equity	Profit before tax	Other Equity
Interest Rate increase by	0.50%	(9.70)	(7.95)	(10.57)	(8.20)
Interest Rate decrease by	0.50%	9.70	7.95	10.57	8.20

**Notes to Financial Statements as on and for the year ended 31st March, 2021**

(Amt in ₹ lakh)

**50.3.3 Other Price Risk**

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through profit or loss.

The Company's equity investments are mainly strategic in nature and are generally held on a long-term basis. Further, the current investments are in units of liquid mutual fund and these are not exposed to significant price risk.

**Exposure to other market price risk**

Particulars	31st March 2021	31st March 2020
Investment in Mutual Funds	928.82	215.38

**51 Capital Management**

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.

**52 Segment Reporting****Basis of Segmentation**

**Factors used to identify the reportable segments :** The Company has following business segments which are its reportable segments. These segments offer different products and services and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and received by the Chief Operating Decision Maker (CODM).

Reportable Segment	Products / Services
Textiles Division	Manufacturing & trading of fabrics
Yarn Division (Since discontinued)	Manufacturing of yarn
Tea	Manufacturing & trading tea and various value added items
Real Estate	Selling of developed plots

The measurement principles of segments are consistent with those used in significant accounting policies. There are no inter segment transfers.

**52.1 Primary Segment Information (Business Segment)\***

Particulars	Textiles - Fabric Division	Textiles - Yarn Division - (Since Discontinued)	Tea	Real Estate	Unallocable	Total
<b>Segment Revenue</b>						
External Turnover	3,912.94	-	4,918.34	-	-	8,831.28
	<b>6,262.08</b>	-	<b>4,773.55</b>	-	-	<b>11,035.63</b>
<b>Revenue from Operations</b>	3,912.94	-	4,918.34	-	-	8,831.28
	<b>6,262.08</b>	-	<b>4,773.55</b>	-	-	<b>11,035.63</b>
<b>Segment Result</b>	(320.18)	(6.51)	1,033.50	-	-	706.81
	<b>(443.75)</b>	<b>22.69</b>	<b>606.41</b>	-	-	<b>185.35</b>
<b>Less: Unallocable Expenditure net of unallocable Income</b>					126.41	126.41
					<b>141.23</b>	<b>141.23</b>
<b>Finance Costs</b>	131.56	-	51.57	-	-	183.13
	<b>186.97</b>	-	<b>51.30</b>	-	-	<b>238.27</b>
<b>Profit/(Loss) Before Tax</b>						397.27
						<b>(194.15)</b>
<b>Other Information</b>						
<b>Segment Assets</b>	4,481.43	40.05	5,268.53	2,031.54	1,715.64	13,537.20
	<b>4,919.00</b>	<b>89.88</b>	<b>5,409.42</b>	<b>2,029.46</b>	<b>1,075.75</b>	<b>13,523.51</b>



## Notes to Financial Statements as on and for the year ended 31st March, 2021

(Amt in ₹ lakh)

Particulars	Textiles - Fabric Division	Textiles - Yarn Division - (Since Discontinued)	Tea	Real Estate	Unallocable	Total
Segment Liabilities	2,488.83	1.73	1,338.96	-	10.01	3,839.53
	<b>2,637.55</b>	<b>1.73</b>	<b>1,442.30</b>	<b>27.28</b>	<b>13.37</b>	<b>4,122.23</b>
Capital Expenditure	13.83	-	88.93	-	-	102.76
	<b>316.84</b>	-	<b>244.77</b>	-	-	<b>561.61</b>
Depreciation/ Amortization /Impairment	219.27	-	161.81	-	-	381.08
	<b>301.54</b>	-	<b>158.83</b>	-	-	<b>460.37</b>

### 52.2 Secondary Segment Information (Geographical Segment) \*

Particulars	Within India	Outside India	Total
Segment Revenue	8,806.11	25.17	8,831.28
	<b>10,962.93</b>	<b>72.70</b>	<b>11,035.63</b>
Segment Assets	13,537.20	-	13,537.20
	<b>13,523.51</b>	-	<b>13,523.51</b>
Capital Expenditure	102.76	-	102.76
	<b>561.61</b>	-	<b>561.61</b>

\* Figures in represents previous year figures.

### 52.3 Other Disclosures

- The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on three business groups : Textile, Tea and Real Estate. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them. The Company has discontinued operations relating to Yarn Division as reported in Note no. 39.
- The geographical information considered for disclosure are:
  - Sales within India
  - Sales outside India
- The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.
- The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

### 53. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company's Operations and financial results for the first quarter were adversely impacted by the outbreak of COVID-19 pandemic and its productions facilities were under shutdown for a significant part of the first quarter and subsequently it has achieved its normal volume of activities. In view of the impact of pandemic, the results for the year ended 31st March 2021 are therefore not comparable with those of the comparative year ended 31st March 2020. The Company has also considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of the assets and has performed sensitive analysis on the assumptions used and expects to recover the carrying amount of these assets.

- Previous GAAP figures have been re-classified/re-grouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act, 2013.

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **Singhi & Co.**

Chartered Accountants

Firm Registration No. 302049E

Sd/-

**Aditya Singhi**

Partner

Membership No. 305161

Kolkata

The 25th day of June, 2021

Sd/-

**A. Kanoria**

Managing Director

(DIN:00027290)

Sd/-

**K. P. Khandelwal**

Whole Time Director

(DIN: 00914834)

Sd/-

**Atul Doshi**

Chief Financial Officer

Sd/-

**Sunita Shah**

Company Secretary





**BENGAL TEA AND FABRICS LIMITED**  
Century Towers, 4th Floor  
45, Shakespeare Sarani, Kolkata - 700017