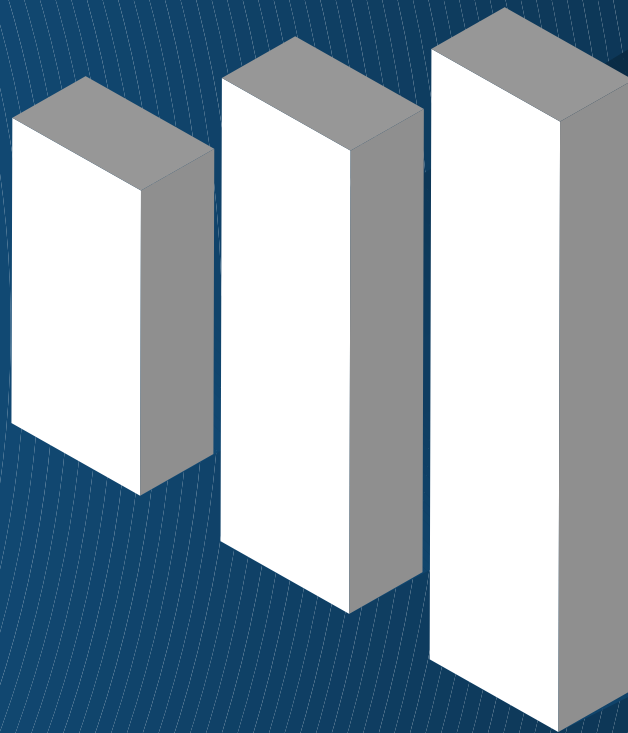


73rd Annual Report

2019-20



Bengal & Assam Company Limited

BENGAL & ASSAM COMPANY LIMITED

BOARD OF DIRECTORS	: BHARAT HARI SINGHANIA Chairman ASHOK KUMAR KINRA BAKUL JAIN DEEPA GOPALAN WADHWA DR. RAGHUPATI SINGHANIA SANJAY KUMAR KHAITAN SANJEEV KUMAR JHUNJHUNWALA SHAILENDRA SWARUP VINITA SINGHANIA
MANAGER & CHIEF FINANCIAL OFFICER	: UPENDRA KUMAR GUPTA
COMPANY SECRETARY	: DILLIP KUMAR SWAIN
REGISTERED OFFICE	: 7, COUNCIL HOUSE STREET, KOLKATA, WEST BENGAL - 700001
ADMINISTRATIVE OFFICE	: PATRIOT HOUSE 3, BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110 002
BANKERS	: CENTRAL BANK OF INDIA CORPORATION BANK
AUDITORS	: SINGHI & CO. CHARTERED ACCOUNTANTS
REGISTRAR & SHARE TRANSFER AGENT	: ALANKIT ASSIGNMENTS LTD., ALANKIT HOUSE 4E/2, JHANDEWALAN EXTENSION, NEW DELHI-110 055 (INDIA)
COMPANY WEBSITE	: www.bengalassam.com
CIN	: L67120WB1947PLC221402
E-MAIL	: dswain@jkmil.com

Directors' Report And Management Discussion & Analysis

TO THE MEMBERS

The Directors have pleasure in presenting the 73rd Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2020.

SCHEME OF ARRANGEMENT AND SHARE CAPITAL

The Scheme of Arrangement between Florence Investech Limited, BMF Investments Limited, J.K. Fenner (India) Limited and the Company and their respective Shareholders sanctioned by the Hon'ble Benches of National Company Law Tribunal, Kolkata and Chennai has become effective on 24th May, 2019 operative from the Appointed date, i.e., 1st April, 2017. Pursuant to the aforesaid Scheme, 32,59,586 equity shares of ₹ 10/- each, issued and allotted to the Members of erstwhile Florence Investech Limited and J.K. Fenner (India) Limited, were listed and traded on BSE Ltd. w.e.f. 6th September, 2019.

Further, during the year 65,00,000 Cumulative Redeemable Preference Shares of ₹ 100/- each, were issued and allotted to JK Enviro Tech Limited. Accordingly, the paid up share capital of the Company has been increased from ₹ 8.68 Crores to ₹ 76.30 Crores.

CORE INVESTMENT COMPANY

The Company is a Core Investment Company-Non Deposit Taking-Systemically Important (CIC-ND-SI) registered with the Reserve Bank of India (RBI) and has been complying with all the conditions prescribed by RBI.

OPERATIONS & OUTLOOK

Indian economy faced considerable challenges commencing from the later part of the last fiscal which continued through-out the year.

Despite all the challenges, the Company recorded Profit after Tax of ₹ 12,535.53 lacs for the year as compared to ₹ 3,892.59 lacs in the previous year. The Company being a Core Investment Company, holds significant investments in the Group Companies which are engaged in diversified industrial segments.

With the ongoing COVID-19, there is a severe contraction of economic activities in the current year. However, Capital Market, after recording a steep downturn, is now showing a healthy growth which augurs well for the Company.

DIVIDEND

The Directors have recommended the interim dividend of ₹ 15/- per share (150%) paid by the Company during the financial year ended 31st March, 2020, as final dividend for the financial year 2019-20.

APPROPRIATIONS

The amount available for appropriation, including surplus from previous year is ₹ 27,025.75 lacs.

The Directors propose this to be appropriated as under:

Transfer to Reserves (As per RBI guidelines)	₹ 2,507.11 Lacs
Transfer to Capital Redemption Reserve	₹ 2,500.00 Lacs
Surplus carried to Balance Sheet	₹ <u>22,018.64</u> Lacs
Total	₹ <u>27,025.75</u> Lacs

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March, 2020 in the prescribed form MGT-9 is attached as Annexure-1 to this Report and forms part of it. The said extract is also available on the website of the Company at www.bengalassam.com.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company being a Core Investment Company registered with the Reserve Bank of India, Section 186 of the Companies Act, 2013 is not applicable to it. The particulars of loans, guarantees and investments are given in the financial statements.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March, 2020, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arms' length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which could be considered material in accordance with the policy of the Company on materiality of the Related Party Transactions. In view of the above, disclosure in Form AOC-2 is not applicable.

The Related Party Transactions Policy as approved by the Board is available on the website of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Dr. Raghupati Singhania, Director, retires by rotation and being eligible offers himself for re-appointment at the ensuing AGM.

Smt. Deepa Gopalan Wadhwa was appointed as an Additional Director of the Company in the category of Independent Woman Director, with effect from 28th March, 2020 for a term of three consecutive years, subject to approval of the Members at the ensuing AGM. Smt. Wadhwa has given declaration about her independence pursuant to Section 149 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also received requisite Notice from a Member of the Company proposing the name of Smt. Deepa Gopalan Wadhwa for appointment as Director at the ensuing AGM. The Board of Directors recommends her appointment as aforesaid.

Shri Bakul Jain, Independent Director, was re-appointed for the second term of 5 consecutive years w.e.f. 15th May, 2020 subject to approval of the Members at the ensuing AGM. Requisite Resolution regarding his re-appointment is included in the Notice of ensuing Annual General Meeting for approval by the Members.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The Audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report.

A report on the performance and financial position of each of the subsidiaries and associates, included in the Consolidated Financial Statements is presented in a separate section in this Annual Report. Please refer AOC-1 annexed to the Financial Statements in the Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, Consolidated Financial Statements alongwith relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

During the financial year under review, Global Strategic Technologies Ltd., J.K. Risk Managers & Insurance Brokers Ltd., CliniRx Research Pvt. Ltd., CliniRx Asia Pacific Ltd., CliniRx UK Ltd., CliniRx USA Inc. and Deepti Electronics & Electro-Optics Pvt. Ltd. ceased to be subsidiaries of the Company and J.K. Risk Managers & Insurance Brokers Ltd., Deepti Electronics & Electro-Optics Pvt. Ltd., Global Strategic Technologies Ltd. and CliniRx Research Pvt. Ltd. have become Associates of the Company. The Company does not have any Joint Venture.

DEPOSITS

The Company is a registered Non-Banking Finance Company and does not accept public deposits and as required by the Reserve Bank of India (RBI), the Board of Directors have also passed necessary resolution not to accept public deposits during the financial year 2020-21, without prior approval of RBI.

AUDITORS

(a) Statutory Auditors and their Report

M/s. Singhi & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of 3 years commencing from the conclusion of 72nd Annual General Meeting till the conclusion of 75th Annual General Meeting. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self explanatory.

(b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namo Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2019-20. The Report given by him for the said financial year in the prescribed format is annexed to this Report as Annexure 2. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the financial year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company.

CHANGE IN THE NATURE OF BUSINESS

During the financial year under review, there was no change in the nature of business.

PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Companies Act, 2013 ("Act") read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed to this Report as Annexure-3.

Further, particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, forms part of this Report. However, as per the provisions of Section 136 of the said Act, the Report and Accounts are being sent to all the Members of the Company and others entitled thereto, excluding the aforesaid information. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection at the Registered Office of the Company during working hours.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements and no material reportable weakness was observed in the system. Further, the Company has in place adequate internal financial controls commensurate with the size and nature of its operations. The Company also has robust Budgetary Control System and Management Information System (MIS) which is the backbone of the Company for ensuring that your Company's assets and interests are safeguarded.

COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the accounting policies have been selected and applied consistently and judgments and estimates made 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 and loss of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company's First Sustainability & Business Responsibility Report for the Financial Year ended 31st March, 2020, is given in a separate section of the Annual Report and forms part of it.

CORPORATE GOVERNANCE - including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism

The Company re-affirms its commitment to the highest standards of corporate governance practices. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report.

The Corporate Governance Report which forms part of this Report, also covers the following:

- (a) Particulars of the five Board Meetings held during the financial year under review.
- (b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, *inter alia*, the criteria for performance evaluation of Directors.

- (c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- (d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- (e) Details regarding Risk Management.

RISK AND CONCERNS

The Company is mainly exposed to capital market risks in the form of change in value of its investments. The Company is also exposed to the fluctuations of economy and industry cycles.

CAUTIONARY STATEMENT

The statement in this Management Discussion and Analysis Report, describing the Company's outlook, projections, estimates, expectations may be "Forward-looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

CORPORATE SOCIAL RESPONSIBILITY

The requirement of Corporate Social Responsibility (CSR) in terms of Section 135 of the Companies Act, 2013 and the rules made thereunder is not applicable to the Company, since the Company's main source of income is dividend from CSR compliant companies.

SECRETARIAL STANDARDS

During the financial year under review, the Company has complied with the applicable Secretarial Standards for Board and General Meetings, issued by the Institute of Company Secretaries of India.

CONSERVATION OF ENERGY ETC.

As required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 the requirement of furnishing particulars of energy conservation, technology absorption, etc. is not applicable to the Company. Further, particulars of Foreign Exchange Earning and Outgo are as under:-

- | | | | |
|-----|-------------------------|---|---------------|
| i) | Foreign Exchange earned | : | NIL |
| ii) | Foreign Exchange Outgo | : | ₹ 121.99 Lacs |

ACKNOWLEDGEMENTS

The Directors wish to place on record and acknowledge their appreciation for the continued support and co-operation received from the various Government Authorities, Lending Institutions and the esteemed shareholders of the Company. The Directors also record their appreciation for the total dedication of the employees.

On behalf of the Board

Bharat Hari Singhania
Chairman

DIN: 00041156

New Delhi
Date: 24th June, 2020

With a view to avoid duplication between the Directors' Report and Management Discussion and Analysis, a Combined Report has been presented.

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the Financial Year Ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- (i) CIN : L67120WB1947PLC221402
- (ii) Registration Date : 30th January, 1947
- (iii) Name of the Company : Bengal & Assam Company Ltd.
- (iv) Category/Sub-Category of the Company : Public Company/Limited by Shares
- (v) Address of the Registered Office and Contact Details : 7, Council House Street, Kolkata,
West Bengal - 700 001
Ph. No. : 033 - 22486181
Fax No. : 033 - 22481641
Email id : dswain@jkmil.com
Website : www.bengalassam.com
- (vi) Whether Listed Company Yes/ No : Yes
- (vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any : Alankit Assignments Ltd.
CIN: U74210DL1991PLC042569
Alankit House, 4E/2,
Jhandewalan Extension,
New Delhi- 110 055
Ph. No. : 011 - 42541234/23541234
Fax No. : 011 - 42541201
Email id : rta@alankit.com
Website : www.alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ Service *	% to total turnover of the Company
1.	Investments	642	88.09%

* As per National Industrial Classification (2008)– Ministry of Statistics and Programme Implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held ☼	Applicable Section
1	J.K. Fenner (India) Ltd. 3, Madurai Melakkal Road, Madurai- 625 016	U24231TN1992PLC062306	Subsidiary	88.18	2(87)
2	Southern Spinners and Processors Ltd. 3, Madurai Melakkal Road, Madurai- 625 016	U17111TN2005PLC056558	Subsidiary	88.18	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held ☼	Applicable Section
3	Modern Cotton Yarn Spinners Ltd. 3, Madurai Melakkal Road, Madurai- 625 016	U17111TN2005PLC057274	Subsidiary	88.18	2(87)
4	Acorn Engineering Ltd. Delite Theatre Building, 2nd Floor, Asaf Ali Road, New Delhi- 110 002	U74210DL1978PLC009175	Subsidiary	88.18	2(87)
5	Divyashree Company Pvt. Ltd. Patriot House, 3, Bahadur Shah Zafar Marg, New Delhi- 110 002	U10100DL2008PTC178373	Subsidiary	92.76	2(87)
6	Panchmahal Properties Ltd. Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi- 110 002	U74899DL1995PLC068913	Subsidiary	100	2(87)
7	L V P Foods Pvt. Ltd. Patriot House, 4 th Floor, 3, Bahadur Shah Zafar Marg, New Delhi- 110 002	U45200DL2006PTC156229	Subsidiary	99.99	2(87)
8	JK Agri Genetics Ltd. 7, Council House Street, Kolkata- 700 001	L01400WB2000PLC091286	Subsidiary	65.95	2(87)
9	Umang Dairies Ltd. Gajraula Hasanpur Road, Jyotiba Phule Nagar, Gajraula, Uttar Pradesh- 244 235	L15111UP1992PLC014942	Subsidiary	55.30	2(87)
10	JK Tyre & Industries Ltd. Jaykaygram, P.O. Tyre Factory, Kankroli, Rajasthan- 313 342	L67120RJ1951PLC045966	Subsidiary	53.27	2(87)
11	J.K. International Ltd. Suite 11, Keynes House, Chester Park, Alfreton Road, Derby, DE214AS	Not Applicable	Subsidiary	53.27	2(87)
12	J.K. Asia Pacific Ltd. Room 908, Dominion Centre, 43-59, Queens Road, East, Hong Kong	Not Applicable	Subsidiary	53.27	2(87)
13	J.K. Asia Pacific (S) Pte. Ltd. 10, Jalan Besar, #10-12, Sim Lim Tower, Singapore- 208 787	Not Applicable	Subsidiary	53.27	2(87)
14	Lankros Holdings Ltd. Lambousas1, P.C. 1095, Nicosia, Cyprus	Not Applicable	Subsidiary	53.27	2(87)
15	Sarvi Holdings SwitzerlandAG Acton Treuhand AG, Gotthardstrasse 28, Postfach 4029 6304 Zug	Not Applicable	Subsidiary	53.27	2(87)
16	JK Tornel S.A. de C.V.Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	53.26	2(87)
17	Comercializadora America Universal, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	53.26	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held ☼	Applicable Section
18	CompaniaHulera Tacuba, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	53.26	2(87)
19	CompaniaHuleraTornel, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	53.26	2(87)
20	Compania Inmobiliaria Norida, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	53.26	2(87)
21	General de Inmuebles Industriales, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	53.26	2(87)
22	Gintor Administracion, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	53.26	2(87)
23	Hules Y ProcesosTornel, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	53.26	2(87)
24	3DInnovations Pvt. Ltd. Patriot House, 3, Bahadur Shah Zafar Marg, New Delhi- 110 002	U74110DL2007PTC158104	Subsidiary	53.27	2(87)
25	Cavendish Industries Ltd. 7, Council House Street, Kolkata- 700 001	U74900WB2015PLC204899	Subsidiary	46.03	2(87)
26	Valiant Pacific LLC P.O. Box 48679, 305, Al Masraf, Dubai, UAE	Not Applicable	Associate	26.10	2(6)
27	Western Tire Holdings, Inc 222, Pennbriht Drive, Houston, TX, State of Texas	Not Applicable	Associate	21.31	2(6)
28	JK Lakshmi Cement Ltd. Jaykaypuram, Basantgarh, Distt. Sirohi, Rajasthan- 307 019	L74999RJ1938PLC019511	Associate	44.52	2(6)
29	JK Paper Ltd. PO- Central Pulp Mills, Fort Songarh, District Tapi, Gujrat- 394 660	L21010GJ1960PLC018099	Associate	44.67	2(6)
30	Pranav Investment (M.P.) Company Ltd. Patriot House, 3, Bahadur Shah Zafar Marg, New Delhi- 110 002	U65929DL1974PLC114590	Associate	30.00	2(6)