74th ANNUAL REPORT
2020-21

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@jkmail.com

Directors' Report
And Management Discussion & Analysis

TO THE MEMBERS

The Directors have pleasure in presenting the 74th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2021.

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 this, the Company recorded Profit after tax of Rs. 2,325.97 lacs for the Year. The Company being a Core Investment Company, holds significant investments in the Group Companies which are engaged in diversified industrial segments.

With the onset COVID-19 in late last fiscal, there was a severe contraction of economic activities, which affected valuations in the stock markets. However, Capital Market, after recording a steep downturn, is now showing a healthy growth which augurs well for the Company.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 7.50/- per share (75%) for the financial year ended 31st March, 2021.

APPROPRIATIONS

The amount available for appropriation, including profit on sale of Equity Investments at Fair Value through other Comprehensive Income and surplus from previous year is Rs. 24,691.34 lacs.

The Directors propose this to be appropriated as under:

Transfer to Reserves (As per RBI guidelines)	Rs.	465.19 Lacs
Transfer to Capital Redemption Reserve	Rs.	500.00 Lacs
Surplus carried to Balance Sheet	Rs.	23,726.15 Lacs
Total	Rs.	24,691.34 Lacs

ANNUAL RETURN

The Annual Return referred to in Section 134 (3)(a) of the Companies Act, 2013 is available on the website of the Company at the link 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, 2021, 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 Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, as amended and approved by the Board, is available on the Company's website.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Ashok Kumar Kinra, Director, retires by rotation and being eligible offers himself for re-appointment at the ensuing AGM.

Shri Sanjay Kumar Khaitan, Independent Director, was re-appointed w.e.f. 25th January, 2021 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.

In compliance with the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requisite special resolution for continuation of appointment of Dr. Raghupati Singhania, who would be attaining the age of 75 years on 8th December, 2021 has been 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, no company has become or ceased to be your Company's subsidiary/ associate 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 2021-22, without prior approval of RBI.

Auditors

(a) **Statutory Auditors and their Report**

The observations of the Statutory Auditors, M/s. Singhi & Co., Chartered Accountants 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 2020-21. The Report given by him for the said financial year in the prescribed format is annexed to this Report as Annexure 1. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Company has one material unlisted subsidiary, namely, J.K. Fenner (India) Limited (JKFIL). The Secretarial Audit Report of M/s. R. Shridharan & Associates, the Secretarial Auditor, for the financial year 2020-21 of JKFIL in the prescribed format is annexed as Annexure 1.1.

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-2.

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 & Disclosures Requirements) Regulations, 2015, Sustainability & Business Responsibility Report of the Company for the Financial Year 2020-21 ended 31st March, 2021 in the prescribed format, giving an overview of the initiatives taken by the Company from an environmental, social and governance perspective 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 four 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	:	NIL

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: 28th May, 2021

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

Annexure - 1

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]

To,
The Members,
Bengal & Assam Company Limited,
7, Council House Street,
Kolkata, West Bengal – 700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bengal & Assam Company Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 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) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period);

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period); and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Management has identified and confirmed the following law as being specifically applicable to the company and complied with the Reserve Bank of India Act, 1934 in so far as applicable to the company as 'Core Investment Company' under the category of 'Non-Banking Financial Companies'.

I have also examined compliance with the applicable clauses of the following:

(i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with the Stock Exchange.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been no change in the composition of the Board of Directors during the period under review, except re-appointment of one Independent Director, subject to passing of Special Resolution by the Shareholders of the Company.

Adequate Notice is given to all directors in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were also sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period, there was no specific event.

This report is to be read alongwith the following-

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

2. I have followed the audit practices and processes 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures 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.

7. The prevailing circumstances in the country on account of Lockdown and COVID 19 have impacted, to some extent, my verification of documents and records of the Company.

Place: New Delhi
Date: 29th April, 2021
UDIN: F000234C000206649

Namo Narain Agarwal
Secretarial Auditor
FCS No. 234, CP No. 3331