

2022-23

76th
ANNUAL
REPORT

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
CHIEF EXECUTIVE OFFICER & 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 HDFC BANK LIMITED
AUDITORS	: BGJC & ASSOCIATES LLP 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@jksmail.com

Directors' Report And Management Discussion & Analysis

TO THE MEMBERS

The Directors have pleasure in presenting the 76th Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March, 2023.

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 stipulations prescribed by RBI.

OPERATIONS & OUTLOOK

Dynamic Global Economy & Geo-Political developments impeded the economic recovery. Consequential disruptions due to high inflation & tight monetary Policies resulted slow-down in growth during the first half of the year. However, situations stabilised to some extent in the second half. Indian Economy continued to be one of the fastest growing economies of the world and registered close to 7% growth during the year under review.

Your Company recorded Profit after Tax of Rs. 12,185.44 lacs on standalone basis and Rs. 1,07,065.41 lacs on consolidated basis for the year. The Company being a Core-Investment Company, holds significant investment in the Group Companies having diversified Industrial segments. With the Government thrust on the Infrastructure development, the outlook of Indian Economy remains positive. This augurs well for the Company keeping in mind that the sectors in which your Company is invested in i.e. paper/tyre/automotive components/ cement to name a few, are performing well and also have a positive outlook.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 25/- per equity share of Rs. 10 each (250%) on the equity share capital of Rs. 11.29 Crore for the financial year ended 31st March, 2023. The Dividend outgo would be Rs. 28.24 Crores. The dividend is subject to deduction of tax at source as may be applicable. The Dividend pay-out is in accordance with the Dividend Distribution Policy of the Company.

APPROPRIATIONS

The amount available for appropriation, including surplus from previous year after adjusting the dividend paid for the financial year 2021-22 is Rs. 38,972.39 Lacs.

The Directors propose this to be appropriated as under:

Transfer to Reserves (As per RBI guidelines)	Rs. 2,437.09 Lacs
Transfer to Capital Redemption Reserve	Rs. 700.00 Lacs
Surplus carried to Balance Sheet	Rs. <u>35,835.30</u> Lacs
Total	Rs. <u>38,972.39</u> 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 <https://www.bengalassam.com/pdf/Annual%20Return%202021-22.pdf>

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 furnished in the financial statements.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March, 2023, 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 an arms' length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Further, the Company had 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 Bharat Hari Singhania (DIN: 00041156) Director, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting (AGM). The Board recommends re-appointment of Shri Bharat Hari Singhania as Director liable to retire by rotation. Further, pursuant to Regulation 17(1A) of SEBI Listing Regulations, the Board has also approved continuation of his appointment as Non-executive Director of the Company, since he has attained the age of 85 years. Requisite Special Resolution regarding his re-appointment and continuation as Non-executive Director of the Company, is included in the Notice of ensuing AGM for approval of the Members.

Declarations have been received from all the Independent Directors of the Company that they meet the criteria of independence prescribed under the Companies Act, 2013 & SEBI Listing Regulations. All the Independent Directors are registered in the Independent Director's Data Bank.

Shri Upendra Kumar Gupta was re-appointed as 'Manager' with the designation 'Chief Executive Officer and Chief Financial Officer' of the Company for a further period of three years w.e.f. 1st July, 2023 subject to approval of the Members at the ensuing AGM. Requisite Resolution regarding his re-appointment is included in the Notice of ensuing AGM for approval of the Members.

Except as stated above, there was no other change in Directors and Key Managerial Personnel of the Company, during the year under review.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the financial year ended 31st March, 2023 have been prepared in accordance with the provisions of the Companies Act, 2013, SEBI Listing Regulations and Indian 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 forming part of the Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, Consolidated audited 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, JKF Evolve Limited became the Subsidiary of the Company and Gram Power Infrastructure Private Limited ceased to be the Associate 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 2023-24, without prior approval of RBI.

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

The observations of the Auditors in their Report on Accounts and the Financial Statements read with the relevant notes are self-explanatory. The Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

(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 2022-23. 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 qualifications, reservations, adverse remarks or disclaimer.

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 2022-23 of JKFIL in the prescribed format is annexed as Annexure- 2.

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 of the Company.

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, 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 Board Report. However, in terms of the provisions of Section 136 of the Act, the Annual Report for the financial year 2022-23 is being sent to all the Members of the Company and others entitled thereto, excluding the particulars of employees. Any Member interested in obtaining such particulars may write to the Company Secretary. The said information is also available for inspection at the Registered Office of the Company on working days during working hours upto the ensuing AGM.

INTERNAL FINANCIAL CONTROLS

The Company has in place a strong Internal Financial Control System, Policies & Procedures which ensures accuracy & completeness of Accounting Records and also helps in timely preparation of the reliable Financial

Statements. These Internal Financial Control Systems are designed for safeguarding the assets of the Company and for the prevention and detection of errors & frauds commensurate with the size, nature & complexities of the Operations of the Company. These Policies & Procedures were found by the Statutory Auditors of the Company to be adequate for smooth, orderly & efficient conduct of the business of the Company.

The Internal Financial Control Systems are regularly reviewed to ensure their effectiveness, taking into account the essential components of Internal Financial Controls as stated in the Guidance Note on the Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on such assessments carried out by the Management, no reportable material weaknesses in the adequacy in the System of Operations of Internal Financial Controls were observed during the year.

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.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, Business Responsibility and Sustainability Report of the Company for the Financial Year 2022-23 ended 31st March, 2023 in the prescribed format, is given in a separate section and forms part of the Annual Report.

CORPORATE GOVERNANCE

Your Company re-affirms its commitment to the highest standards of corporate governance practices. Pursuant to the SEBI Listing Regulations 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. The policy is also available on the website of the Company at www.bengalassam.com.
- (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.
- (f) Dividend Distribution Policy.

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 statements made in the Directors' and Management Discussion and Analysis Report, describes the Company's outlook, projections, estimates, expectations, which may be "Forward-looking Statements" within the meaning of applicable securities laws and 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.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the financial year under review, the Company has complied with the applicable Secretarial Standards issued under Section 118 of Companies Act, 2013.

CONSERVATION OF ENERGY ETC.

As required under Section 134(3)(m) of the Companies Act, 2013 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 | : | Rs. 56.91 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

Place: New Delhi
Date: 29th May, 2023

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 (L67120WB1947PLC221402)** (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, 2023** (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, 2023 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, 2018 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (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 dealing with the clients and Shareholders;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- (Not applicable to the Company during the Audit Period);

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (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 Finance Companies'.

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

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

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 the Board and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees thereof, 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 has been no specific event, other than the following –

- New Articles of Association was adopted by the Company by passing a Special Resolution at its Annual General Meeting held on 8th September, 2022 in substitution of the existing Articles of Association.

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 Governance Laws 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.

Place: New Delhi
Date: 12th May, 2023

Namo Narain Agarwal
Secretarial Auditor
FCS No. 234, CP No. 3331
UDIN: F000234E000296508