

Annual
Report
2020-21

Corporate Information

Board of Directors

Mrs. Nandini Nopany, Chairperson
 Mrs Urvi Mittal, Managing Director (w.e.f April 01, 2021)
 Mr. Arun Kumar Newar
 Mr. Chhedi Lal Agarwal
 Mr. Dhiraj Ramakant Banka
 Mr. Santosh Kumar Poddar, Managing Director
 (upto March 31, 2021)

Committees of Directors

Audit Committee

Mr. Arun Kumar Newar - Chairman
 Mr. Chhedi Lal Agarwal
 Mr. Dhiraj Ramakant Banka
 Mr. Santosh Kumar Poddar

Stakeholders' Relationship Committee

Mr. Arun Kumar Newar - Chairman
 Mr. Chhedi Lal Agarwal
 Mr. Santosh Kumar Poddar

Nomination and Remuneration Committee

Mr. Dhiraj Ramakant Banka - Chairman
 Mr. Chhedi Lal Agarwal
 Mr. Arun Kumar Newar

Auditors

M/s Agrawal, Subodh & Co.
 Chartered Accountants
 3, Victory House, 1 Ganesh Chandra Avenue
 Kolkata - 700 001

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
 (Unit: Ganges Securities Limited)
 Room Nos.: 502 & 503, 5th floor
 Vaishno Chamber, 6 Brabourne Road
 Kolkata – 700 001
 Tel Nos: 033- 4004 9728 / 033- 4073 1698
 Fax No.: 033-4073 1698
 Email: kolkata@linkintime.co.in

Registered Office

P. O. Hargaoon District – Sitapur, (U. P.)
 Pin Code – 261 121
 Tel. No.: (05862) 256220, Fax No.: (05862) 256225
 E-mail: gangessecurities@birlasugar.org
 Website: www.birla-sugar.com
 CIN – L74120UP2015PLC069869

Corporate & Head Office

Birla Building
 9/1, R. N. Mukherjee Road, 5th Floor
 Kolkata - 700 001
 Tel. No.: (033) 2243 0497/8, Fax No.: (033) 2248 6369
 E-mail: secretarial@birla-sugar.com
 Website: www.birla-sugar.com

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Directors' Report

Dear Members,

Your Directors present herewith, the seventh Annual Report on the business & operations of the Company together with the Audited Financial Statements for the year ended March 31, 2021.

1. Financial Results

A summary of the standalone and consolidated financial performance of the Company for the financial year ended March 31, 2021, as compared to the previous year is as summarised below:

(₹in lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations	493.68	74.90	3481.05	3186.40
Profit before Finance Costs, Tax, Depreciation and Amortization	478.65	55.14	1248.30	952.23
Less: Depreciation & Amortization Expenses	2.36	2.25	69.54	65.49
Less: Finance Costs	7.33	13.54	8.34	15.74
Profit/(Loss) Before Tax	468.96	39.35	1170.42	871.00
Less: Provision for Tax	(1.61)	-	-	0.60
Profit/(Loss) After Tax	470.57	39.35	979.42	714.09

2. Financial Performance and State of affairs of the Company

During the Financial Year 2020-21, the standalone Gross Revenue from Operations was ₹ 493.68 (Previous Year: ₹ 74.90). The Profit stood at ₹ 470.57 (Previous Year: ₹ 39.35) registering a satisfactory growth.

The Consolidated Gross Revenue from operations for FY 2021 was ₹ 3481.05 (Previous Year: ₹ 3186.40). The Consolidated profit stood at ₹ as 979.42 (Previous Year: ₹ 714.09 Lakhs).

The Board of Directors has not recommended payment of dividend.

There is no change in the nature of business of the Company. The Company had applied for voluntary delisting of equity shares of the Company from the Calcutta Stock Exchange Limited (CSE) pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009. The same was approved and the Company is delisted w.e.f February 26, 2021. There were no significant or material orders passed by any regulator, court or tribunal impacting the Company's operation in future.

There are no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. March 31, 2021 and the date of this report.

Details on the state of affairs of the Company are covered in the Management Discussion and Analysis Report attached to this Report and marked as 'Annexure A'.

3. Share Capital

During the year under review, pursuant to the Order of the Hon'ble NCLT, Allahabad Bench, the Company has issued 2,40,000 (Two Lakhs Forty Thousand), 8.5% (Eight and Half Percent) per annum, Non-Convertible Cumulative Redeemable Preference Shares ('NCCRPS') of INR 100/- (Rupees One Hundred) each, aggregating to INR 2,40,00,000/- (Rupees Two Crore Forty Lakhs) to the existing preference shareholders, being equal to the amount required to be paid by the Company to the preference shareholders, on redemption of the NCCRPS, that is, INR 1,50,00,000 (Rupees One Crore Fifty Lakhs) in addition to unpaid dividends thereon upto September 24, 2019, at a rate of 12% (Twelve Percent) per annum amounting to INR 90,00,000 (Rupees Ninety Lakhs).

There has been no change in the paid up Equity Share Capital of the Company. The paid up Equity Share Capital as on March 31, 2021 stood at Rs. 1000.37 lakhs.

4. Subsidiary, Associate and Joint Venture

During the year, there has been no change in the subsidiaries. The Company has two subsidiaries viz. Cinnatollah Tea Limited and Uttar Pradesh Trading Company Limited. The Company has formulated a policy for determining material subsidiaries in line with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The said Policy is being disclosed on the Company's website at the web-link <http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Policy-on-Determination-of-Materiality.pdf>.

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/Joint Ventures is given in Form AOC-1 which forms part of this Report and marked as 'Annexure - 'B'.

Except the above, no other body corporate has become or ceased to be a subsidiary, joint venture or associate company during the year.

5. Directors

The Board of Directors comprises of 5 (five) Non-Executive Directors having experience in varied fields and a Managing Director. Out of five Non-Executive Directors, three are Independent Directors. Mrs. Nandini Nopany is the Non-Executive Chairperson of the Company.

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mrs. Nandini Nopany [DIN: 00051362], retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends her re-appointment for approval of the Members of the Company at the forthcoming Annual General Meeting.

Mr Santosh Kumar Poddar has relinquished the office of the Managing Director of the Company with effect from March 31, 2021. He shall continue to act as a Non-Executive Director on the Board of the Company.

Further, the Board of Directors on recommendation of the Nomination and Remuneration Committee has appointed Mrs. Urvi Mittal as the Managing Director with effect from April 01, 2021.

The Board recommends the resolution in relation to appointment of Mrs. Urvi Mittal [DIN: 02780842] as a Managing Director, for the approval of the members of the Company.

The Company has received necessary declarations from all the Independent Directors ('IDs') of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) & (7) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. Declarations have also been received by all the appointed Independent Directors of the Company with regard to registration on the databank of IDs maintained by the Indian Institute of Corporate Affairs, Manesar (Haryana) in accordance with the provisions of Section 150 of the Companies Act, 2013.

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation of 25(3) of the Listing Regulations, Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairperson of the Company. After detailed discussion at Board level as well as taking input from each Director, the Nomination and Remuneration Committee finalized the proformas / questionnaires containing various parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects. The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors and Chairperson of the Company was carried out for the Financial Year 2020-21.

Further, the Independent Directors at their separate meeting reviewed the performance and role of non-independent directors and the Board as a whole and Chairman of the Company. Further, the IDs at their meeting have also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

Other information on the Director(s) including required particulars of Directors retiring by rotation is provided in the Notice convening the Annual General Meeting.

6. Key Managerial Personnel

The following directors / executives of your Company are whole-time Key Managerial Personnel (KMPs) as on 31st March, 2021 in accordance with the provisions of Section 203 of the Companies Act, 2013 –

- Mr. Santosh Kumar Poddar- Managing Director
- Mr. Vikash Goyal- Chief Financial Officer;
- Ms. Vijaya Agarwala- Company Secretary

During the year under review, there was no change in the Key Managerial Personnel. Mrs Urvi Mittal has been appointed as the Managing Director of the Company with effect from April 01, 2021.

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to Directors & employees of the Company and a declaration to the said effect by the Managing Director is made part of Corporate Governance Report which forms part of this report. The Code is available on the Company's website at the web link- http://www.birla-sugar.com/Assets/Ganges/Familiarisation_Programme_for_Independent_Director_-_Ganges_Securities_Limited.pdf All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

7. Familiarisation Programme

Periodic presentations are made at the Board Meetings with respect to business performance and updates on business strategy of the Company. The details of the familiarisation programme (other than through meeting of Board and its Committees) imparted to Independent Directors is uploaded on the website of the Company and available at the weblink- http://www.birla-sugar.com/Assets/Ganges/Familiarisation_Programme_for_Independent_Director_-_Ganges_Securities_Limited.pdf

Further at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, duties and responsibilities. The format of such letter of appointment is available at the website of the Company at <http://www.birla-sugar.com/Assets/Ganges/Terms-and-conditions-of-appointment-of-Independent-Directors2.pdf>

8. Policy on Directors' appointment and remuneration

The policy of the Company is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management.

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management of the Company. The Policy, inter-alia, includes the appointment criterion & qualification requirements, process for appointment & removal, retirement policy and remuneration structure & components, etc. of the Directors, KMP and other senior management personnel of the Company. As per the Remuneration Policy, a person proposed to be appointed as Director, KMP or other senior management personnel should be a person of integrity with high level of ethical standards.

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company and that there has been no change in this policy during the year under review and a copy of the said Policy is available at the website of the Company at the weblink http://www.birla-sugar.com/Assets/Ganges/Remuneration-Policy_Ganges.pdf.

9. Meetings

A calendar of Meeting is prepared and circulated in advance to the Directors. The Board evaluates all the decisions on a collective consensus basis amongst the Directors. The intervening gap between Meetings was within the period prescribed under the Companies Act, 2013. During the financial year ended March 31, 2021, 5 (five) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the financial year 2020-21 have been furnished in the Corporate Governance Report forming part of this Annual Report.

The Company has complied with the applicable Secretarial Standards prescribed under Section 118(10) of the Companies Act, 2013.

10. Committees of the Board

As on March 31, 2021, there are three Board constituted Committees viz: as Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report, which forms an integral part of this Report.

11. Loans, Guarantee and Investments

During the year under review, the Company has not given any loans and corporate guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

Details on particulars relating to investments/loans under Section 186 of the Companies Act 2013 are provided in Note 6 to the financial statements.

12. Related Party Contracts / Arrangements

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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. The details of related party transactions are set out in the notes to the financial statements.

The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions and accordingly all Related Party Transactions are placed before the Audit Committee as also the Board for approval. The said Policy is available on the Company's website at the weblink <http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Related-Party-Transaction-Policy.pdf>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties.

13. Public Deposits

The Company has not accepted any deposits from the public and as such there are no outstanding deposits within the meaning of the provisions of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and the provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules 2014. There was no public deposit outstanding as at the beginning and end of the financial year 2020-21.

14. Risk Management and Internal Financial Controls

Business Risk Evaluation and Management is an ongoing process within the organization. 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

The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were reviewed and no reportable material weakness was observed.

The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. 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.

15. Whistle Blower / Vigil Mechanism

The Company has established a vigil mechanism and adopted whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct policy.

The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. The said Policy can be accessed on the Company's website at the weblink <http://www.birla-sugar.com/Assets/Ganges/Ganges-Securities-Whistle-Blower-Policy.pdf>

During the year, there was no instance of fraud, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

16. Corporate Governance & Annual Return

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2020-21 is attached as 'Annexure C' to this Report. The declaration of the Managing Director confirming compliance with the 'Code of Conduct' of the Company Report and Auditor's Certificate confirming compliance with the conditions of Corporate Governance are enclosed as 'Annexure D' and 'Annexure E' to this Report respectively.

The extract of the Annual Return of the Company is attached as 'Annexure- F' to this Report.

17. Auditors, Audit Qualifications and Board's Explanations

a. Statutory Auditors

M/s. Agrawal, Subodh & Co., Chartered Accountants, having Firm Registration No. 319260E, were re-appointed as Statutory Auditors at the 6th Annual General Meeting (AGM) of the Company, to hold office for another term of 5 (five) years from the conclusion of 6th AGM till the conclusion of the 11th consecutive AGM. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Report given by the Auditors on the financial statement of the Company forms part of this Report. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

b. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Messrs Vinod Kothari & Co., Practising Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report is annexed herewith as 'Annexure G1' and self-explanatory and does not call for any further comments.

In addition to the above, pursuant to Regulation 24A of the Listing Regulations, the Secretarial Audit Reports of the material unlisted subsidiaries of the Company viz., Cinnatollah Tea Limited and Uttar Pradesh Trading Company Limited form part of this Report and are marked as 'Annexure -G2' and 'Annexure -G3' respectively.

c. Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, your Company has, on the recommendation of the Audit Committee re-appointed Messrs M Parasrampur & Co., Chartered Accountants to conduct Internal Audit of the Company for the financial year 2020-21.

18. Corporate Social Responsibility (CSR) Policy

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

19. Investor Education and Protection Fund

The provisions pertaining to Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, are not applicable to your Company.

20. Energy Conservation, Technology absorption and Foreign Exchange Earnings & Outgo

The provisions of Section 134(3)(m) of the Companies Act, 2013 do not apply to your Company as it does not have any activity requiring conservation of energy or technology absorption. There was no foreign exchange inflow or outflow during the year under review.

21. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. During the year under review, no complaint / case was filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. Particulars of Employees

During the year under review, there was no employee in the Company who was in receipt of remuneration as required to be disclosed under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

23. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the loss of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

24. CEO/CFO Certification

Mr. Santosh Kumar Poddar, Managing Director and Mr. Vikash Goyal, Chief Financial Officer have submitted certificates to the Board as contemplated under Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

25. Acknowledgement

Your Directors take this opportunity of recording their appreciation of the shareholders, financial institutions, bankers, suppliers and cane growers for extending their support to the Company. The Board of Directors also convey its sincere appreciation of the commitment and dedication of the employees at all levels.

For and on behalf of the Board

Nandini Nopany

Chairperson

DIN:00051362

Place: Kolkata

Dated: May 10, 2021

Annexure A

Management Discussion & Analysis

Economic Overview

The global economy has been showing signs of recovery since the harsh lockdowns imposed across the world to curb the spread of COVID-19. Diverse recovery paths are projected for the emerging market and developing economies. In its January 2021 update of World Economic Outlook, the International Monetary Fund (IMF) projected India's growth at 11.5% in 2021 and that India is set to become the fastest-growing economy in the next two years.

India climbed 14 rungs in the World Bank's Ease of Doing Business 2020 Survey to stand at the 63rd position, among 190 countries. This helped India to remain as one of the preferred investment destinations in FY 2020-21. During the unlock phase, there were numerous measures undertaken to ramp up India's fiscal spending too. India recognised the impacts of the pandemic both on the supply and demand in the economy. Although vaccination has raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. A positive outlook coupled with the gradual scaling down of the lockdowns, along with an astute support for Atmanirbhar Bharat Mission has placed the economy firmly on the path of recovery.

Almost all the sectors have been adversely affected as domestic demand and exports sharply plummeted with some notable exceptions where high growth was observed. Most Indian corporates expect the ongoing pandemic to influence the direction of their business strategy over the next three years. As per IMF, despite the uncertainty, the global economy is projected to grow by 6.0% in CY2021 and 4.4% in CY2022.

Industry Structure and Developments

COVID-19 has disrupted consumption patterns and business activities worldwide. The spread of pandemic has put India in the midst of an unprecedented humanitarian crisis. Loss of income and livelihoods and subsequent fall in consumption demand as well as discretionary spending resulted in NBFCs' credit growth remaining in a modest zone in contrast to their usual robust trend.

The tea industry in India is in a particularly fragile position during this economic crisis. The deteriorating global economic conditions, foreign and fiscal exchange constraints have hit the Indian tea industry hard. The industry currently contributes 31 per cent to global production and stands fourth in terms of exports. Over the last few decades, the tea industry has played a very significant role in India's gross domestic product growth and foreign exchange earnings.

The digitalization of everyday life, the trend toward more flexible work arrangements, the deceleration of globalization, the weakening of multilateralism, the expansion of the state or the vulnerability of cities – all of these developments were already underway prior to the virus outbreak. The current disruption has forced companies to rework their business models right from sourcing to manufacturing to distribution. Many smaller companies have adapted and embarked on prudent cost-cutting and reduced debt to clean up balance sheets.

With the industry facing financial difficulties, it falls to the government to aid tea companies in acting swiftly and promptly to ensure that workers are able to live a safe and healthy life with dignity during this difficult period.

Currently there is a need to ensure flow of funds to the industry through the primary markets and hence certain rules need to be tweaked to make this easier. In response to current turmoil, RBI and the Government of India have come up with plethora of reforms such as reductions of repo rate, regulatory relaxation by extending moratorium and several measures to boost liquidity in the system howsoever the pandemic has impacted the basic premises of the corporate sector. Payments deferrals, subdued loan growth, rising cases of bad loans and sluggish business conditions have impaired the growth and the health of the economic activity. The recovery in 2021 was anticipated to be only partial as the level of economic activities projected to remain below the level it was projected for 2021, before the virus hit. Assuming the pandemic fades in the second half of 2021 and that policy actions taken around the world are effective in preventing widespread firm bankruptcies, extended job losses, and system-wide financial strains, global growth in 2022 was projected to rebound.

Opportunities and Threats

Your Company is an Investment Company that seeks opportunities in the capital market. The unpredictability in the stock indices in the financial year under report represents both an opportunity and challenge for the Company. There are external risks as well, such as a more profound slowdown of the global economy than anticipated. The impact of the pandemic on the corporate sector and investor confidence altogether will delay the pace of development for countries whose markets are at an earlier stage of development.

Trade-in 2021 is expected to fall steeply in every region of the world and basically across all sectors. Despite the fact that it's hard to predict the magnitude and impact of Coronavirus on the economy, it is but certain that the markets will bounce back soon once the crisis gets over. But

global trade could rebound rapidly after that. However, it would depend on how quickly the pandemic is brought under control, and the policy choices which the governments take to support their economies. Income levels and livelihood opportunities are expected to further improve in FY-22, as economic recovery gathers pace and vaccine administration progresses.

As per the Tea Association of India (TAI), the crop outlook for the Tea Industry at this point of the season looks bleak due to drought-like situation prevailing in both the states of Assam and West Bengal. Though a normal monsoon has been predicted, the production in the second half of the year will depend on how the weather will sustain. The crop shortage has pushed up the Indian tea prices thus nullifying its competitive edge in the global market where Kenya with bumper production and low prices is currently dominating.

The management intends to optimize the deployment of fund and capital across the core business of the Company and its subsidiaries that will enable the Company to create ongoing incremental value and sustainable business growth.

Performance

The Company operates in single segment which is to invest, deal etc. in securities. The businesses of the Company are carried out by its wholly-owned subsidiaries. Uttar Pradesh Trading Company Limited is a Non-Banking Financial Company registered with RBI and primarily engaged in investment activities and whereas the other wholly owned subsidiary Cinnatollah Tea Limited is engaged in the Tea Business.

Apart from its operations in investment in securities including through its Wholly Owned Subsidiaries, the Company also continues to be engaged in business of Tea Manufacturing and processing through its subsidiary company i.e Cinnatollah Tea Limited. There has been no change during the year under review in the nature of business pursued by the Company.

We started the year on an uncertain note given the onset of the pandemic, the consistent support by the Reserve Bank of India helped in keeping yields soft. The impact of the pandemic can be seen on both asset quality and liquidity, although the latter was addressed to a considerable extent through timely policy measures. The profitability of NBFCs dipped in the immediate aftermath of the COVID-19 in the first quarter of 2020-21, as businesses suffered economic losses due to nation-wide lockdowns.

Since the first quarter of FY2021, equity markets globally witnessed a sustained recovery following the volatile decline during the last quarter of FY2020. Indian equity markets also exhibited a similar recovery following the decline in FY2020. Over the last few years, there has been a gradual increase in net financial savings and its share in the overall household savings in India has stabilised with an upwards bias.

Despite COVID-induced turbulence, Indian equity markets showed their best performance in a decade in FY 2020-21. Persistent traction in foreign flows and brighter domestic economic outlook as reflected through steady improvement in several high frequency indicators and better expected Q4FY 2020-21 corporate earnings also kept investor sentiments afloat. This was further supported by stimulus measures announced by the Government and liquidity measures adopted by RBI.

Going forward, favourable demographic dividend, formalisation of the economy, growing financial inclusion, greater disposable income and investable surplus, increasing financial savings, higher investor awareness, investor friendly regulations, wide range of transparent and investor-friendly products, ease of investing, tax incentives, expanding distribution coverage and digitalization are expected to be key drivers for the growth of the investment industry.

Agriculture was the high performing sector of the Indian economy in FY 2020-21, driven by normal monsoon, record-high production and strong policy support. During the year under review, tea's sales volume was higher by 9.58% and averages of tea were higher by 31% vis-à-vis that of previous year. The demand for good CTC leaf grades increased during the period.. The country's per capita consumption has witnessed a significant increase over the last decade.

However, the pandemic has taken its toll. On top of lower production, the movement restriction due to lockdown has pushed down sales. Moreover, out of home consumption, particularly that in Horeca (hotel, restaurant and catering) sector has declined. While tea prices moderated during November-mid December 2020, following a seasonal quality decline amid normal production levels in September and October 2020, the prices rebounded in the recent auctions in the domestic market in the calendar year 2020.

The impact on bulk tea prices once the production returns to normal in the new season would be a critical factor determining the profitability in the next financial year. The tea industry may continue to face challenges in the next financial year with hike in wages and its impact on prices, as production returns to normal.

We also believe that the post pandemic world will see a greater emphasis on food safety, healthy intake and larger sustainability focus. With these values at the core of our business structure, we would be well positioned to serve the trend.

The performance has resulted in a profit after tax of Rs 470.57 lacs During the year under review, the Company's income from investments in the form of dividend and income in the form of Rent was aggregating to Rs 493.68 lacs. Neither any revenue has been earned in foreign exchange nor was there any outgo of foreign exchange during the year in the Company.