



**Bengal Tea & Fabrics Limited**  
Annual Report 2022-23

## Corporate Information

### BOARD OF DIRECTORS

**Mr. Adarsh Kanoria**  
*Chairman & Managing Director*

**Mr. Dhirendra Kumar**  
*Independent Director*

**Mr. Samveg A. Lalbhai**  
*Non-Executive Director*

**Mr. Navin Nayar**  
*Independent Director*

**Mrs. Shubha Kanoria**  
*Non-Executive Director*

**Mr. Ashutosh Bhagat**  
*Independent Director*

**Mr. Kailash Prasad Khandelwal \***  
*Whole-time Director (till 31.12.2022)*

**Mr. Golam Momen**  
*Independent Director*

*\*Resigned from the Board w.e.f. 01.01.2023*  
*\$ Ceased w.e.f. 29.1.2023 due to demise*

### CHIEF FINANCIAL OFFICER

**Mr. Atul Doshi**

### COMPANY SECRETARY

**Mrs. Sunita Shah**

### AUDITORS

**M/s. Jain & Co.,**  
*Chartered Accountants*

### BRANCH AUDITORS

**M/s. Khandhar & Associates**  
*Chartered Accountants*

### COST AUDITORS

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

### INTERNAL AUDITORS

**M/s. LABH & Associates,**  
*Chartered Accountants*

### SECRETARIAL AUDITOR

**M/s. Bajaj Todi & Associates**  
*Practising Company Secretaries*

### BANKERS

Punjab National Bank

### TEA DIVISION

**Ananda Tea Estate**  
P.O. Pathalipam 787 056  
Dist. North Lakhimpur (Assam)

### REGISTERED OFFICE

Century Towers, 4th Floor,  
45, Shakespeare Sarani,  
Kolkata 700 017  
Telefax Nos. : 91 33 2283-6416/17,  
E-mail : investor@bengaltea.com / mail@bengaltea.com  
Website : www.bengaltea.com

### REGISTRAR & SHARE TRANSFER AGENT

**C. B. Management Services (P) Ltd.**  
P-22, Bondel Road, Kolkata 700 019  
Telephone : 91 33 4011 6716/17/23/28,  
Fax : 4011-6739  
E-mail : rta@cbmsl.com

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## Notice

**NOTICE** is hereby given that the 40<sup>th</sup> Annual General Meeting (AGM) of the Members of **Bengal Tea & Fabrics Limited** will be held on Friday, the 4<sup>th</sup> day of August, 2023 at 11.00 A.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following businesses: -

### ORDINARY BUSINESS

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

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 together with the Reports of the Board of Directors and Auditors thereon and to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date, the Reports of Directors and Auditors thereon, as circulated to the Shareholders and now submitted to this Meeting be and are hereby approved and adopted.”

#### 2. Declaration of Dividend

To declare Dividend of ₹ 1.00 per equity share (being 10% on face value of ₹ 10 per share) for the financial year ended 31<sup>st</sup> March, 2023 and to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the recommendation of the Board of Directors of the Company, Dividend at the rate of 10% being Re. 1.00 (Rupee One Only) per equity share of the Company, for the year ended on 31<sup>st</sup> March, 2023 be and is hereby declared.”

#### 3. Re-appointment of Director retiring by rotation

To appoint a Director in place of Mr. Samveg A. Lalbhai (DIN: 00009278) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Mr. Samveg A. Lalbhai (DIN: 00009278) who retires by rotation in terms of Section 152 (6) of Companies Act, 2013 and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation.”

#### 4. Fixation of Remuneration of Cost Auditors of the Tea Division of the Company

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018) appointed as the Cost Auditors of the Tea Division of the Company by the Board of Directors of the Company, to conduct the audit of cost records of Tea Division of the Company for the financial year ending 31<sup>st</sup> March, 2024, be paid the remuneration of ₹ 30,000/- p.a. plus out of pocket expenses and taxes, if any.

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

Registered Office:  
Century Towers, 4th Floor,  
45, Shakespeare Sarani,  
Kolkata-700 017  
Dated: 25th May, 2023

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



## Notice

### NOTES :

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) with respect to item no. 4 of the Notice is annexed hereto and forms part of this Notice.
2. The Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circulars No. 14/2020 dated 8<sup>th</sup> April, 2020, No. 10/22 dated 28<sup>th</sup> December, 2022, (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular dated 12<sup>th</sup> May, 2020, and 5<sup>th</sup> January, 2023 (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting ('AGM')/'the Meeting') through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 40<sup>th</sup> AGM of the Company is being held through VC/OAVM on Friday, 4<sup>th</sup> August, 2023 at 11.00 a.m. The deemed venue for the AGM will be the Registered Office of the Company.
3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and vote.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 29<sup>th</sup> July, 2023 to Friday, 4<sup>th</sup> August, 2023 (both days inclusive) for the purpose of the payment of Dividend and the 40<sup>th</sup> Annual General Meeting.
6. In compliance with the aforesaid MCA & SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report for the financial year 2022-23 will also be available on the Company's website [www.bengaltea.com](http://www.bengaltea.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com)
7. The Notice of the 40<sup>th</sup> AGM and the Annual Report for the year ended 2022-23 is being emailed to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on close of business hours on 30<sup>th</sup> June, 2023 and whose email ids are available. Any person who acquires shares and became Member after the aforesaid date, can obtain the same by downloading it from the Company's Website: [www.bengaltea.com](http://www.bengaltea.com) or may request for the same by writing to the Company at [investor@bengaltea.com](mailto:investor@bengaltea.com) or the Company's RTA at [rta@cbmsl.com](mailto:rta@cbmsl.com)
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The Members can join the AGM 30 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
10. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnels, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
11. A brief profile of the Director seeking re-appointment including relevant particulars relating to him is furnished as a part of the Notice as Annexure, as required under Regulation 26 and 36 of SEBI Listing Regulations, 2015.
12. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be made available for inspection through electronic mode.
13. The Register of Directors and Key Managerial Personnel and their shareholding as maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection through electronic mode during the AGM.
14. Members desirous of getting any information on the accounts or operations of the Company are requested to forward their queries to the Company at least seven working days prior to the meeting.



## Notice

15. SEBI vide Circular No. dated 3<sup>rd</sup> November, 2021, 14<sup>th</sup> December, 2021 and 16<sup>th</sup> March, 2023 has mandated the furnishing of PAN, full KYC details (postal address, mobile number, e-mail id, bank details, Signature) and Nomination by holders of physical securities. In case any of the aforesaid details are not furnished by these holders of Physical shares then w.e.f. 1<sup>st</sup> October, 2023, the folio of the aforesaid shareholders will be frozen by the Registrar & Share Transfer Agents ("RTA"), C.B. Management Services (P) Ltd. Further, such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025. Accordingly, Members are requested to intimate immediately aforesaid details to C.B. Management Services (P) Ltd. by downloading the required Forms from the Company's Website i.e. [www.bengaltea.com](http://www.bengaltea.com) or RTA's Website i.e. [www.cbmsl.com](http://www.cbmsl.com)
16. Members still possessing the share certificates issued prior to 25<sup>th</sup> July, 1998 are requested to surrender the said share certificates for the reduced shareholdings as the new share certificates/Confirmation letter in lieu thereof, are only eligible for demat.
17. Subject to the provisions of the Companies Act, 2013, final dividend as recommended by the Board of Directors, if declared at the AGM, will be paid subject to deduction of income tax at source within a period of 30 days from the declaration to those Members whose names appear on the Register of Members and whose names appears as Beneficial Owners as per the details available with depositories, as on the close of Friday 28<sup>th</sup> July, 2023.
18. The Company is required to deduct tax at source while making payment of dividend as per the provisions of the Income Tax Act, 1961. Members are requested to submit their residential status, PAN and category to their respective depository participant(s) (DPs) in case of shares held in dematerialised form and with the Company/Registrar in case of shares held in physical form by sending documents through e-mail at [rta@cbmsl.com](mailto:rta@cbmsl.com) on or before Friday, 28<sup>th</sup> July, 2023. Please refer to our "Communication on tax deduction on dividend" annexed to the Annual Report and also available on the Company's website : [www.bengaltea.com](http://www.bengaltea.com).
19. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, on the website of the Company's Registrar and Transfer Agents, C B Management Services (P) Ltd at [www.cbmsl.com](http://www.cbmsl.com) .
20. The Shareholders who have not encashed their Dividend Warrants are requested to send their Warrants for revalidation otherwise the amount will be transferred to the Investor Education and Protection Fund (IEPF) on expiry of 7 years from the date of transfer of dividend amount to unclaimed dividend account.
21. Pursuant to the provision of Section 124 (6) read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "IEPF Rules") as amended, **all shares in respect of which dividend has/have remained unpaid or unclaimed for consecutive seven years, the corresponding shares shall also be transferred in the name of Demat Account of IEPF Authority.**

Accordingly, 39,903 equity shares against 632 folios corresponding to the dividend for the year ended 31<sup>st</sup> March, 2016 which remained unclaimed for seven consecutive years will be transferred to Demat Account of IEPF Authority.

Please note that those shareholders whose dividend for the financial year 2015-16 has remained unpaid / unclaimed, their corresponding shares of the face value of Rs 10/- each, are due to be transferred to Demat Account of IEPF Authority on **6<sup>th</sup> September, 2023**. All such shareholders are requested to make an application to the Company / Registrar & Share Transfer Agents latest by **14<sup>th</sup> August, 2023** with a request for claiming the unpaid dividend so that the shares are not transferred to IEPF.

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

22. I. **The intructions for shareholders for e-voting and joining virtual meetings are as under:**
  - (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with MCA/SEBI Circulars and Secretarial Standard on General Meetings, the Company is pleased to provide to the members the facility to exercise their right to vote on resolutions set forth in this notice by electronic means (e-Voting). The Company has engaged the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to all its Members.





## Notice

- (ii) The E-voting period begins at 9:00 a.m. on 1<sup>st</sup> August, 2023 (Tuesday) and ends at 5:00 p.m. on 3rd August, 2023 (Thursday). During this period, Members of the Company holding shares either in physical form or in dematerialized form as on Friday, 28<sup>th</sup> July, 2023 may cast their votes electronically. The E-voting module shall be disabled by NSDL for voting thereafter.

- (iii) The instructions for remote E-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with the Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

##### a. Individual shareholders holding securities in demat mode with NSDL

1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “**Beneficial Owner**” icon under “Login” which is available under “**IDeAS**” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on option available against the Company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period and join the e-AGM.
2. If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “**Register Online for IDeAS**” Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the Company’s name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

**NSDL Mobile App is available on**



##### b. Individual shareholders holding securities in demat mode with CDSL

- 1) Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use their existing my easi username & password.
- 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or



## Notice

joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

- 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
- 4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

### c. Login through Depository Participants for individual shareholders

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on E-voting option, you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see e-voting feature. Click on option available against the Company name or e-voting service provider name - NSDL and you will be redirected to e-voting service provider's website for casting your vote during the e-voting period or joining virtual meeting and voting during the meeting.

**Important Note:** If you are unable to retrieve User ID/ Password, please use 'Forget User ID' and 'Forget Password' options available at above mentioned websites and follow the instructions given therein.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 48867000 & 022 24997000.
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 225533

### B. Login method for shareholders other than individual shareholders holding securities in Demat form and shareholders holding securities in physical mode

#### How to Login to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder's / members section'
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Characters DP ID followed by 8 Digits Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digits Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



## Notice

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password' ?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the company for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes casted by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders for voting

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [swati@bajajtodi.com](mailto:swati@bajajtodi.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and become member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. **28<sup>th</sup> July, 2023**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company /RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 48867000 and 022 24997000. In case of Individual Shareholders holding





## Notice

securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 28<sup>th</sup> July, 2023 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any query, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or may call on 022 48867000 and 022 24997000 or may send a request to Ms. Pallavi Mhatre, Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against the company’s name. You are requested to click on VC/OAVM link placed under “**Join General Meeting**” menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptop for better experience. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to the meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investor@bengaltea.com](mailto:investor@bengaltea.com). Members who are successfully registered as a speaker will be informed over email. **Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance.**
- When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes casted by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at 022 48867000 and 022 24997000
- SINCE SOME BROWSERS ARE NOT OPTIMISED, SHAREHOLDERS ARE REQUESTED TO DOWNLOAD CISCO WEBEX MEETINGS APP FOR BEST RESULTS IN VIEWING THE WEBINAR. IT IS AVAILABLE IN GOOGLE PLAY STORE.**



## Notice

### Process for those shareholders whose email ids are not registered with the depositories

Members holding shares in demat mode, who have not registered their email addresses and mobile nos. are requested to register the same with their respective DP, and members holding shares in physical mode are requested to update their email addresses and mobile nos. with the Company's RTA, CB Management Services (P) Limited at [rta@cbmsl.com](mailto:rta@cbmsl.com), to receive copies of the Annual Report 2022-23 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the Annual report and update other KYC details/ bank account details for the receipt of dividend :

Members holding shares in Physical form	Register/ update the details in prescribed Form ISR 1 and other relevant forms, duly signed with C B Management Services Pvt. Ltd, Registrar and Share Transfer Agent ("RTA") of the Company at <a href="mailto:rta@cbmsl.com">rta@cbmsl.com</a> Members may download the prescribed forms from the Company's website viz., <a href="http://www.bengaltea.com">www.bengaltea.com</a> or the RTA's Website viz., <a href="http://www.cbmsl.com">www.cbmsl.com</a>
Members holding shares in Demat form	Please contact your Depository Participant (DP), and register/update your email address and/or bank account details as per the advice given by your DP

- II. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 28<sup>th</sup> July, 2023 (close of business hours).
- III. Mrs. Swati Bajaj, (CP No.3502, Membership No. ACS 13216) partner of M/s Bajaj Todi & Associates. Practising Company Secretaries of 225D, A.J.C.Bose Road, 3rd Floor, Kolkata 700 020 has been appointed as the Scrutinizer to scrutinize the remote e-voting and voting process to be carried out at the AGM in a fair and transparent manner.
- IV. The scrutinizer shall within a period of not exceeding 48 hours from the conclusion of the meeting unblock the votes cast through remote e-voting and evoting at AGM, after counting the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and make a consolidated scrutinizer's report of the votes cast in favour or against, if any and forward to the Chairman of the AGM.
- V. The Results on resolutions shall be declared after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- VI. The Consolidated Results declared along with the Scrutinizer's report (s) shall be placed on the Company's website [www.bengaltea.com](http://www.bengaltea.com), website of Stock Exchange i.e. [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL within 48 hours of passing of the resolutions at the AGM of the Company. The results will also be communicated to BSE Limited where the shares of the Company are listed.

### 23. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item No 4 of the Notice is as under:

#### In respect of Item No. 4

M/s. D. Radhakrishnan & Co., (Firm Regn. No. 000018), Cost Accountants have been conducting the Cost Audit for the Tea Division of the Company from last few years. The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. D. Radhakrishnan & Co., as the Cost Auditors of the Tea Division of the Company on 25<sup>th</sup> May, 2023 to conduct the audit of the cost records of the Tea Division of the Company for the financial year ending on 31<sup>st</sup> March, 2024.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, a remuneration of ₹ 30,000/- p.a. plus out of pocket expenses and taxes, if any, payable to the Cost Auditor has to be approved by the shareholders of the Company. Accordingly, consent of the members is being sought for passing an Ordinary Resolution for approval of the remuneration payable to the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2024.

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

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

**By Order of the Board  
For Bengal Tea & Fabrics Limited**

Sd/-

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

Registered Office:  
Century Towers, 4<sup>th</sup> Floor,  
45, Shakespeare Sarani,  
Kolkata-700 017  
Dated: 25<sup>th</sup> May ,2023



## Notice

### ANNEXURE TO NOTICE OF 40<sup>TH</sup> ANNUAL GENERAL MEETING

#### Brief Profile of Mr. Samveg A. Lalbhai, Non Executive Director seeking re-appointment

**Mr. Samveg A. Lalbhai**, Non executive Director of the Company, aged about 61 years retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He has about 40 years of vast experience in the business of Textiles and is an eminent personality of Textile Industry. Mr. Lalbhai is the **Managing Director of Atul Limited since December 2001**. Mr. Lalbhai is associated with a number of Chambers/Organisations, including Indian Cotton Mills Federation, Gujarat Chamber of Commerce & Industries, Ahmedabad Textile Mills Association, Ahmedabad Textile Industries and Research Association etc.

Mr. Lalbhai is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013. The Company has received the requisite Form DIR-8 from him in terms of Section 164(1), Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 confirming his eligibility. A brief resume, experience and functional expertise and membership on various Board and Committee for Mr. Samveg A. Lalbhai, proposed to be re-appointed at Serial No. 3 of the Notice convening the 40<sup>th</sup> Annual General Meeting, as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) {"SEBI (LODR)"} Regulations, 2015 are furnished below:

Date of Birth	04.06.1961
Date of first appointment	06.05.2004
Qualification	Graduate in Commerce from Gujarat University
Experience in specific functional areas	40 years of vast experience in the business of Textiles and is an eminent personality of Textile Industry
Directorship in other Companies apart from this company	<ol style="list-style-type: none"> <li>1. Atul Ltd.</li> <li>2. The Anup Engineering Ltd.</li> <li>3. Arvind Farms Pvt. Ltd.</li> <li>4. National Design Business Incubator</li> <li>5. Arvind Worldwide Inc. USA</li> </ol>
*Chairman/Member of the Committee in which he is a Director apart from this company	Nil
Shares of the company held by him	
Equity :	
a) Own	Nil
b) Beneficiary basis	Nil

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



### Bengal Tea & Fabrics Limited

CIN : L51909WB1983PLC036542

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

Telephone Nos (033) 2283-6416 /17

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

### COMMUNICATION ON TAX DEDUCTION ON DIVIDEND

Dear Shareholder(s)

We are pleased to inform you that the Board of Directors at its meeting held on Thursday, 25th May, 2023 recommended a final dividend of Re.1/- (Rupee One Only) per Fully Paid-up Ordinary Share of Rs.10/- each, for the year ended 31st March, 2023 which will be paid to the shareholders, if approved, at the Annual General Meeting (AGM) of the Company scheduled to be held on Friday, 4th August, 2023. The dividend will be paid to those members whose name shall appear in the Register of Members or in the Register of Beneficial Owners maintained by the depositories, as on the Record Date i.e. Friday, 28th July, 2023 end of day (EOD).

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

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

#### I. For Resident Shareholders -

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

##### a. Resident Individuals:

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

- Total amount of dividend paid / distributed or likely to paid / distributed during the Financial Year 2023-24 does not exceed INR 5,000/- during that financial year. or
- Tax on shareholders' estimated total income is Nil and a declaration is received from the concerned shareholder in Form 15G (for individuals up to the age of 60 years) / Form 15H (for individuals of the age of 60 years or above).

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

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

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

#### II. For Non-resident Shareholders -

- a. Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act at the rates in force, i.e., at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self attested copy of the certificate.
- b. Further, as per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") (if any) between India and the Country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders are required to provide the following:



## Communication on Tax Deduction on Dividend

- i. Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities, if available.
- ii. Self-attested copy of Tax Residency Certificate ("TRC") (for the period 1st April, 2023 to 31st March, 2024) obtained from the tax authorities of the country of which the shareholder is a resident.
- iii. Shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at the link <https://eportal.incometax.gov.in/> with effect from April 1, 2023 to avail the benefit of DTAA.
- iv. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty, their eligibility to claim benefits of the said Tax Treaty and beneficial ownership of the shares (for the period 1st April, 2023 to 31st March, 2024) as per format attached as Annexure 2.

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

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

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

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

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

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

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

- i. Only scanned copies of the documents such as PAN, Forms 15G/15H/10F/Self-declaration/documentary evidences etc. are required to be sent vide email at [rta@cbmsl.com](mailto:rta@cbmsl.com) on or before the Record Date i.e. Friday, 28th July, 2023. Soft copy of Form 15G/15H/10F are available at the Company's website [www.bengaltea.com](http://www.bengaltea.com).
- ii. Please update/verify your PAN and the residential status as per IT Act, if not done so already, with your respective Depository Participant(s) (in case of shares held in dematerialised form) and with the Company's Registrar and Share Transfer Agent, M/s C B Management Services Private Limited (in case of shares held in physical form) at [rta@cbmsl.com](mailto:rta@cbmsl.com) on or before the Record Date, Friday, 28th July, 2023.
- iii. TDS will be calculated based on details of first holder / registered member / beneficial owner only as appearing on Record Date. Once TDS is deducted, no transfer of such TDS in the name of another person shall be entertained under any circumstances.
- iv. TDS certificate will be sent to the members' registered email address in due course after payment of dividend and filing of TDS Return. Members will also be able to view the TDS details in Form 26AS by login to <https://www.incometax.gov.in> provided that valid PAN is registered with the Company/Depository Participant(s).
- v. TDS on dividend payable on ordinary shares of the Company, which have been transferred to Investor Education and Protection Fund ('IEPF') in terms of Section 124(6) of the Companies Act, 2013 and Rules framed thereunder shall be determined on the basis of the shareholding of respective members entitled to those shares.
- vi. In case of incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate. In case TDS is deducted at a higher rate, an option is still available with the member to file the return of income and claim an appropriate refund, if eligible. Once deducted, no claim shall lie against the Company in relation to TDS.
- vii. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the member(s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all valid information / documents.





## Communication on Tax Deduction on Dividend

### IV. Update your Bank Account details:

Members are requested to ensure that their bank account details are updated with the Registrar/Depository Participant(s) to get credit of dividend in their respective bank accounts. Members holding shares in physical form and who have not updated their bank account details are requested to send duly completed Form ISR 1 to the Company's Registrar and Share Transfer Agent, C B Management Services Private Limited, P-22 Bondel Road, Kolkata-700017.

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

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

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

**Accordingly, in order to enable us to determine the appropriate withholding tax rate applicable, we request you to provide these details and documents as mentioned, above, on or before 28.07.2023 to the Registrar and Share Transfer Agents ("RTA"), viz., CB Management Services (P) Ltd, P 22 Bondel Road, Kolkata 700 019. E-mail [rta@cbmsl.com](mailto:rta@cbmsl.com), Telephone (033) 4011 6700. No communication on the tax determination / deduction shall be entertained post 28.07.2023.** Shareholders holding shares in physical mode are requested to update their PAN, Bank Mandate, E-mail address, mobile number and other details in Form ISR 1 with the RTA of the Company at the above address. Shareholders holding shares in Demat mode are requested to update the same with their respective Depository Participant. **Shareholders can send the scanned copy of above said documents through e-mail at [rta@cbmsl.com](mailto:rta@cbmsl.com) mentioning the name of the Company in the subject line of the e-mail.**

Thanking and Regards  
For **Bengal Tea & Fabrics Limited**  
Sd/-  
**Sunita Shah**  
Company Secretary  
(Membership No.: F8495)

Encl. as stated



## Communication on Tax Deduction on Dividend

ANNEXURE 1

Date:

To

**Bengal Tea & Fabrics Limited**

Century Towers, 4th Floor,  
45 Shakespeare Sarani  
Kolkata 700017

Subject: Declaration regarding Category and Beneficial Ownership of shares

Ref: PAN – (Mention PAN of Shareholder)

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

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

1. We \_\_\_\_\_ (Full name of the shareholder), holding \_\_\_\_\_ (mention number of shares held) ordinary share(s) of the Company as on the record date, hereby declare that I am /we are tax resident of India for the period April 2023-March 2024 (Indian Fiscal Year).
2. We hereby declare that (Select whichever is Applicable)
  - ☐ We are Insurance Company and are the beneficial owner of the share/shares held in the Company; and we are submitting self-attested copy of PAN Card.
  - ☐ We are Mutual Fund specified in Section 10(23D) of the Income Tax Act, 1961 and are the beneficial owner of the share(s) held in the Company; and we are submitting self-attested copy of PAN Card and registration certificate.
  - ☐ We are Alternative Investment fund established in India and are the beneficial owner of the share(s) held in the Company; and our income is exempt under Section 10(23FBA) of the Act and are governed by SEBI regulations as Category I or Category II AIF; and we are submitting self-attested copy of the PAN card and registration certificate.
  - ☐ We are \_\_\_\_\_ (mention category of the entity) and are the beneficial owner of the share/shares held in the Company; and are not subject to withholding tax under section 196 of the Income Tax Act; and we are submitting self-attested copy of the documentary evidence supporting the exemption status along with self-attested copy of PAN card.
3. We further indemnify the Company for any penal consequences arising out of any acts of commission or omission initiated by the Company by relying on my/ our above averment.
4. We hereby confirm that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ accounts declared in the form.

Thanking you.

Yours faithfully,

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

<<insert signature>>

Authorized Signatory - (Name and Designation)



## Communication on Tax Deduction on Dividend

Date:

ANNEXURE 2

To

**Bengal Tea & Fabrics Limited**

Century Towers, 4th Floor,  
45 Shakespeare Sarani  
Kolkata 700017

Subject: Declaration regarding Tax Residency and Beneficial Ownership of shares

Ref: PAN – (Mention PAN of Shareholder)

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

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

1. I / We, \_\_\_\_\_ (Full name of the shareholder), having permanent account number (PAN) under the Income Tax Act, 1961 ("the IT Act") \_\_\_\_\_ (mention PAN), if available, and holding \_\_\_\_\_ (mention number of ordinary share(s) held) shares of the Company as on the record date, hereby declare that I am /we are tax resident of \_\_\_\_\_ (country name) for the period April 2023-March 2024 (Indian Fiscal Year) as per tax treaty between India and an acknowledged country name (hereinafter referred to as 'said tax treaty').
2. I / We hereby declare that, I am /we are the beneficial owner of the share(s) held in the Company as well as the dividend arising from such shareholding; and I/ we have the right to use and enjoy the dividend received/ receivable from the above shares and such right is not constrained by any contractual and/ or legal obligation to pass on such dividend to another person.
3. I/We confirm that I/We are entitled to claim the benefits under the Treaty as modified by the multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting (MLI) including but not limited to the Principal Purpose Test (PPT), limitation of benefit clause (LOB), Simplified Limitation of Benefits (SLOB), period of holding of shares etc. as applicable.
4. I/We hereby furnish a copy of valid Tax Residency Certificate dated \_\_\_\_\_ having Tax Identification number \_\_\_\_\_ issued by \_\_\_\_\_ along with a copy of e-Form 10F duly filled and signed for the period April 2023-March 2024.
5. I/We further declare that I/we do not have and will not have any taxable presence, fixed base or Permanent Establishment in India as per the said tax treaty during the period April 2023 – March 2024.
6. I/ We further indemnify the Company for any penal consequences arising out of any acts of commission or omission initiated by the Company by relying on my/ our above averment.
7. I/We hereby confirm that the above declaration should be considered to be applicable for all the shares held in the Company under PAN/ accounts declared in the form.
8. I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, I/we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.
9. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me/us, I/We will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

The shareholders are required to provide a Declaration strictly as per the specified format given above, failing which the Company reserves the right to deny the Treaty benefits.

Thanking you.

Yours faithfully,

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

<<insert signature>>

Authorized Signatory - (Name and Designation)



## Directors' Report

Dear Members,

The Directors of the Company present their 40<sup>th</sup> Annual Report and Company's Audited Accounts for the year ended 31<sup>st</sup> March, 2023.

### FINANCIAL SUMMARY/HIGHLIGHTS

The financial results for the year ended 31<sup>st</sup> March, 2023 and the corresponding figures for the last year are as under:

(Amount in ₹ Lakhs)

	2022-23		2021-22	
<b>Profit before Interest, Depreciation, Exceptional Item and Tax</b>		278.85		1131.54
Less: Finance Cost	42.94		43.15	
Depreciation & Amortization Expense	177.92	220.86	180.00	223.15
<b>Profit/(Loss) after Interest &amp; Depreciation but before Exceptional Item and Tax</b>		57.99		908.39
<b>Add: Exceptional Item</b>		--		3003.40
Less: Tax Expense for Current Year	--		281.55	
Income Tax for Earlier Years	(226.02)		1.82	
Deferred Tax Provision/(Written Back)	404.93	178.91	(369.96)	(86.59)
<b>Profit/(Loss) from continuing operations</b>		<b>(120.91)</b>		<b>3998.38</b>
<b>Profit/(Loss) before Tax from Discontinued operations</b>	<b>170.09</b>		<b>(1028.98)</b>	
<b>Loss arising due to impairment of assets pertaining to Disposal group</b>	<b>--</b>		<b>(1115.90)</b>	
Less: Tax Expense of Discontinued operations	<b>26.94</b>		<b>25.00</b>	
<b>Profit/(Loss) after Tax from Discontinued operations</b>		<b>143.15</b>		<b>(2169.88)</b>
Other Comprehensive Income for the year ( net of tax)		<b>(100.62)</b>		<b>66.59</b>
<b>Total Comprehensive income for the year</b>		<b>(78.39)</b>		<b>1895.09</b>

### TRANSFER TO RESERVES

The Balance in Other Equity stands at ₹ 10,433.18 Lakhs (Previous year ₹ 10,601.62 Lakhs). The Company has transferred ₹ NIL Lakhs to General Reserve.

### DIVIDEND

Your Directors are pleased to recommend a payment of Dividend of ₹ 1.00 per Equity Share (Previous year ₹ 1.00 per Equity Share) on face value of ₹ 10/- each for the year ended 31<sup>st</sup> March, 2023 amounting to ₹ 90.06 lakhs subject to the approval of members at the ensuing Annual General Meeting.

### CERTIFICATIONS & RECOGNITIONS

Ananda Tea Estate has been accredited with ISO 9001:2015, ISO 22000 : 2018 and HACCP certifications by KVQA. Ananda Tea Estate has also been issued verification certificate bearing no. TSVC/CB/00000889/2022 under trustea code for sustainable tea in India by Control Union.

Your Company is registered as a Medium Enterprise bearing UDYAM Registration No. UDYAM- WB-10-C0037886 under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

### OPERATIONS

#### Tea Division

During the year under review, all India crop for the financial year 2022-23 was 1371 million kgs against 1344 million Kgs for the financial year 2021-22, an increase of about 2%. The Company produced 20.40 Lakh Kgs for the financial year 2022-23 as against 20.80 Lakh Kgs for the financial year 2021-22. However, the average realization fell by about 9.9%. Lower production coupled with lower realization adversely affected the profit of the Tea Division.

Modernization of withering, drying and sorting machines have been implemented which would improve the quality of Tea. This will lead to improved profitability of the Tea Division.

#### TEXTILE DIVISION

The sale of all fixed assets and equipment situated at the Textile Division- Discontinued Operations i.e. Asarwa Mills, Ahmedabad, Gujarat have been completed. The demolition of the factory building situated at Ahmedabad, Gujarat is nearing completion, after which steps will be taken for the sale of the aforeasaid land.



## Directors' Report

### Subsidiary of Rydak Enterprises & Investment Limited

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

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

Your Board has approved the transfer of the company's Property situated at GIDC, Dholka District, Ahmedabad ("Dholka Property"), Gujarat for a consideration of ₹ 16.21 Crores (Rupees Sixteen Crores and Twenty One Lakhs Only) and accordingly the written down value of inventory of ₹ 4.10 Crores (Rupees Four Crores and Ten Lakhs Only) has been given effect. Apart from this, there were no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year to which the financial statements relate and the date of the report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### CORPORATE GOVERNANCE REPORT

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

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

### ANNUAL RETURN

In terms of Section 92(3) of the Act, the draft Annual Return for the financial year ended 31<sup>st</sup> March, 2023 is displayed on the website of the Company [www.bengaltea.com](http://www.bengaltea.com) and forms an integral part of this Annual Report. The weblink for the same is [https://www.bengaltea.com/wp-content/uploads/2023/07/DRAFT\\_Form\\_BTFL\\_MGT-7\\_31.3.2023.pdf](https://www.bengaltea.com/wp-content/uploads/2023/07/DRAFT_Form_BTFL_MGT-7_31.3.2023.pdf).

### BOARD MEETINGS

During the year under review 4 (four) meetings of the Board of Directors were held on 14<sup>th</sup> May, 2022, 12<sup>th</sup> August, 2022, 12<sup>th</sup> November, 2022 and 11<sup>th</sup> February, 2023.

Apart from meeting of the Board of Directors, different committees met several times during the financial year ended 31<sup>st</sup> March, 2023.

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

The Directors hereby confirm that –

- in the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis;
- they had laid down internal financial controls relating to financial matters to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### SECRETARIAL STANDARDS

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





## Directors' Report

### DECLARATION BY INDEPENDENT DIRECTORS

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

### DIRECTORS

Mr. Kailash Prasad Khandelwal, (DIN: 00914834), Wholetime Director of the Company resigned from the Board of Directors w.e.f. 1<sup>st</sup> January, 2023 due to his advancing age and Mr. Golam Momen, Independent Director of the Company ceased to be a Director w.e.f. 29<sup>th</sup> January, 2023 due to his demise. Your Board of Directors places on record its sincere appreciation for the services rendered by them.

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr. Samveg A Lalbhai (DIN: 00009278) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

Brief resume of Mr. Samveg A Lalbhai, nature of his expertise in specific functional areas and details of his directorship and membership/ chairmanship of Board/ Committees, as stipulated under Listing Regulations has been provided in the Annexure to the Notice of the 40<sup>th</sup> AGM of the Company.

### KEY MANAGERIAL PERSONNELS

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

- a) Mr. Adarsh Kanoria, (DIN: 00027290), Managing Director
- b) Mr. Kailash Prasad Khandelwal, (DIN: 00914834), Wholetime Director\* (till 31.12.2022)
- c) Mr. Atul Doshi, Chief Financial Officer
- d) Mrs. Sunita Shah, Company Secretary

\*Resigned from the Board w.e.f. 01.01.2023

Remuneration and other details of the KMP's for the year ended 31<sup>st</sup> March, 2023 are mentioned in the Annual Return which forms an integral part of this Report and is available on the Company's website viz., [www.bengaltea.com](http://www.bengaltea.com)

### NOMINATION & REMUNERATION POLICY

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

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

### BOARD EVALUATION

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

Accordingly, a meeting of the Independent Directors was held on 11<sup>th</sup> February, 2023 wherein the performance of the non-independent directors, including the Chairman were evaluated. The annual performance evaluation of all the directors and the Board as a whole were conducted based on the criteria and framework adopted by the Board. The Board of Directors expressed their satisfaction with the evaluation process. The evaluation process has been explained in the Corporate Governance Report section in this Annual Report. The NRC has also reviewed the performance of individual directors based on their knowledge, preparation, effective participation in meetings, understanding of their roles as director etc.



## Directors' Report

### PUBLIC DEPOSITS

During the year 2022-23, your Company did not accept/renew any deposits and as such, no amount of principal or interest was outstanding as on 31<sup>st</sup> March, 2023.

### AUDITORS AND AUDITORS' REPORT

M/s. Jain & Co., (Firm Regn. No. 302023E) Chartered Accountants,, were appointed as the Statutory Auditors of the Company in place of M/s Singhi & Co., (Firm Regn. No. 302049E) , the retiring Statutory Auditors on 14<sup>th</sup> May, 2022 by the Board of Directors for a period of 5 years from the conclusion of the 39<sup>th</sup> AGM to the conclusion of the 44<sup>th</sup> AGM of the Company which was approved by the Shareholders at the 39<sup>th</sup> AGM of the Company. M/s. Jain & Co. is a Peer Reviewed Firm. The Company has received letter from the Auditors to the effect that their appointment, is within the prescribed limits under the Companies Act, 2013 and that they are not disqualified.

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

### SECRETARIAL AUDIT REPORT

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

### REPORTING OF FRAUDS BY AUDITORS

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

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or provided any guarantees under Section 186(1) of the Companies Act, 2013. However, the details of Investments under Section 186(1) of the Companies Act, 2013 have been provided at Note No. 12 of the Financial Statements for the year ended 31<sup>st</sup> March, 2023.

### PARTICULARS OF RELATED PARTY TRANSACTIONS

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

The Company has formulated a policy on Related Party Transactions. The weblink of the policy is <https://www.bengaltea.com/wp-content/uploads/2022/10/Related-party.pdf>

All related party transactions entered during the Financial Year 2022-23 were in the ordinary course of the business and on arm's length basis, details of which have been provided in the Notes to the Accounts.

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

The disclosures of transactions of the Company with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company is given in **Note No. 47** of the Notes to the Financial Statements.

### COST AUDIT

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

### PARTICULARS OF COST AUDITOR APPOINTED FOR THE FINANCIAL YEAR 2022-23

The Company has appointed the following Cost Auditor for Tea Division for the year ended 31<sup>st</sup> March, 2023:



## Directors' Report

Details of Cost Auditor	Unit Audited
<b>Name:</b> D. Radhakrishnan & Co. <b>Address:</b> 11A Dover lane Flat B1/34, Kolkata- 700029 <b>Registration No. allotted by ICMAI:</b> 000018	Tea Division- Bengal Tea & Fabrics Limited. Ananda Tea Estate- Assam

The Board of Directors, on the recommendation of Audit Committee, have re-appointed M/s. D. Radhakrishnan & Co. as the Cost Auditor to audit the cost accounts relating to the Tea Division the Company for the financial year 2023-24. As required under the Act, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their approval.

### PARTICULARS OF EMPLOYEES

The Company had no employee who were in receipt of more than ₹ 1.02 Crores per annum during the year ended 31<sup>st</sup> March, 2023 or of more than ₹ 8.5 Lakhs per month during any part thereof. However, the information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1), 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been annexed as **Annexure – "D"**.

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

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

### RISK MANAGEMENT POLICY

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

### INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013, the Company has formed a CSR Committee and formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities that can be undertaken by the Company and the same can be viewed at <https://www.bengaltea.com/wp-content/uploads/2022/10/corporatesocialresponsibilitypolicy.pdf>. The details on the CSR Committee are provided in the Report on Corporate Governance. The Company does not fall under the criteria mentioned under Section 135 of the Companies Act, 2013 for making CSR Contribution in the financial year 2022-23. Accordingly, there were no CSR expenditure for the financial year ended 31<sup>st</sup> March, 2023 and hence annual report on CSR has not been provided.

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

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

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31<sup>st</sup> March, 2023 on the Company's website viz., [www.bengaltea.com](http://www.bengaltea.com). The dividend for the undernoted years, if unclaimed for seven years, will be transferred by the Company to IEPF:



## Directors' Report

Financial Year	Date of Declaration of Dividend	Unclaimed Dividend as on 31.03.2023 (₹)
2015-16	01.08.2016	187483.50
2016-17	NIL	NIL
2017-18	NIL	NIL
2018-19	NIL	NIL
2019-20	NIL	NIL
2020-21	31.08.2021	2,20,968.00
2021-22	05.08.2022	2,01,324.00

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

Accordingly 39,903 equity shares against 632 folios corresponding to the dividend for the year ended on 31<sup>st</sup> March, 2016 which remains unclaimed for seven consecutive years will be transferred to Demat Account no. 1204720013676780 of IEPF Authority maintained with SBI CAP Securities Limited through Central Depository Services (India) Limited under IEPF RULES, 2017 on **6<sup>th</sup> September, 2023**. Notice to the concerned shareholders and advertisement in Newspapers has been given to make an application to the Company / Registrar & Share Transfer Agents latest by **14<sup>th</sup> August, 2023** with a request for claiming the unpaid dividend so that the shares are not transferred to IEPF. The Company has uploaded the details of all shares transferred to Demat account of IEPF Authority as on 31<sup>st</sup> March, 2023 on the Company's website [www.bengaltea.com](http://www.bengaltea.com).

### OPENING OF SUSPENSE ESCROW DEMAT ACCOUNT

In accordance with SEBI Circular dated 25th January, 2022 a separate Suspense Escrow Demat Account has been opened with a Depository Participant for crediting shares which have not been dematerialized by the shareholders within 120 days from the date of issue of Letter of Confirmation to them. There are 200 equity shares lying in the aforesaid account as on 31<sup>st</sup> March, 2023.

### INSIDER TRADING & STRUCTURED DIGITAL DATABASE

The Company has implemented the Code of Internal Procedure & Conduct as required under the extant SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has also in existence a Structured Digital Database as mandated under the above Regulations.

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

None

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

The Company has in place Internal Complaints Committee for the Registered Office and Tea Division. The following is the summary of Sexual Harassment complaints received and disposed off during the year 2022-23:

No. of Complaints pending as on 1<sup>st</sup> April, 2022: NIL

No. of Complaints received : NIL

No. of Complaints Disposed off : NIL

### DETAILS OF APPLICATION MADE OR PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, there were no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts .

### ONE-TIME SETTLEMENT WITH BANKS OR LENDING INSTITUTIONS, IF ANY

During the year under review, the Company has not entered into any one-time settlement with Banks or lending institutions.

### ACKNOWLEDGEMENT

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

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

Sd/-

**Adarsh Kanoria**

Chairman & Managing Director

(DIN: 00027290)

Place: Kolkata

Dated: 25<sup>th</sup> May, 2023



## Directors' Report

ANNEXURE – “A”

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

(Forming part of Directors' Report for the financial year ended 31<sup>st</sup> March, 2023)

#### TEA DIVISION

**Industry Structure and Developments:** India is one of the largest Black Tea producer in the world producing approximately 1371 million kgs during the financial year 2022-23. Markets have been marginally higher for good quality teas whereas common medium teas remained steady resulting in increase in realization than the previous year

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

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

**Product-wise Performance:** During the year under review, the production of Black Tea for your company were marginally lower as compared to previous year. Prices were lower for teas produced mainly due to inclement weather. Lower Production coupled with lower realization adversely affected the profit of the Tea Division. The gist of performance of the division during the financial year 2022-23 is as under:

	Black Tea*		
	Production (Lakh Kgs)	Sales (Lakh Kgs)	Average Realisation (₹/Kgs)
2022-23	20.40	20.34	243.39
2021-22	20.80	20.43	266.96
Change (%)	(1.92)	(0.44)	(8.83)

\*excludes operation of traded goods

**Outlook:** Due to the fear of recession worldwide there is lower demand which is likely to impact the average realization of teas. Russia-Ukraine war could affect the off take of teas which could adversely impact the Indian tea average realization. Looking at the increased crop in last two seasons, it seems the country is headed towards a year of cropping of around 1400 million kgs. This could have an adverse impact on realization. However, focus on manufacture of better quality teas and lower cost of production should augur well for the division.

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

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

During the year under review, lower production coupled with lower realization has adversely affected the profit of the Tea Division,

#### TEXTILE DIVISION

The sale of all fixed assets and equipment situated at the Textile Division- Discontinued Operations i.e. Asarwa Mills, Ahmedabad, Gujarat have been completed. The demolition of the factory building situated at Ahmedabad, Gujarat is nearing completion, after which steps will be taken for the sale of the aforesaid land.

#### Key Financial Ratios

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

Sl. No	Key Financial Ratios	Including Discontinued Operations			Explanation
		2022-23	2021-22	Difference (%)	
1	Debtors Turnover Ratio (times)	39.74	17.00	133.77	The ratio has improved due to faster realisation of the sale proceeds.
2	Inventory Turnover Ratio (times)	2.06	3.07	(32.77)	Low inventory ratio was due to closure of textile division and non-realisation of land held under Real Estate Division.
3	Interest Coverage Ratio (times)#	0.33	1.81	(81.52)	Reduction in profit margin during the financial year and debit balance in the current borrowings during the previous financial year have resulted in huge variance in the ratio.





## Directors' Report

Sl. No	Key Financial Ratios	Including Discontinued Operations			Explanation
		2022-23	2021-22	Difference (%)	
4	Current Ratio(times)	3.91	6.88	(43.23)	Current ratio was higher during the previous financial year mainly on account of large Cash and Cash equivalents balance at 31.03.2022 due to realization from disposal of "Assets pertaining to Disposal Group".
5	Debt Equity Ratio(times)	0.06	0.01	692.03	Due to Debit balance in the Short Term borrowings following deposit of proceeds of sale of Asarwa house during the previous financial year, ratio are not comparable.
6	Operating Profit Margin (%)#	4.76	2.24	257.59	Operating Profit Margin improved mainly on account of closure of Textile Division.
7	Net Profit Margin (%)#	1.17	(1.22)	468.85	Net Profit Margin improved mainly on account of closure of Textile Division

#Excluding Profit from Exceptional Item

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

Sl. No	Key Financial Ratios	2022-23	2021-22	Difference (%)	Explanation
1	Return on Net Worth (%)	(1.14)	10.78	(110.60)	Return on net worth has been impacted adversely due to reduced earnings in Tea Division coupled with write down of value of land held stock in trade, as detailed in Note no. 10.4 of the financial statement.

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

**Information regarding Human Resources/Industrial Relations:** The relationships were cordial with the employees throughout the year. The total numbers of manpower employed by the Tea Division as on 31<sup>st</sup> March, 2023 was 1520.

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

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

Sd/-

Place: Kolkata  
Dated: 25<sup>th</sup> May, 2023

Adarsh Kanoria  
Chairman & Managing Director  
(DIN: 00027290)



## Directors' Report

ANNEXURE – “B”

### REPORT ON CORPORATE GOVERNANCE

(Forming part of Directors' Report for the financial year ended 31<sup>st</sup> March, 2023)

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

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

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

#### 2. Board of Directors

##### Composition, Attendance & Information of other Directorships/Committee Memberships

The Board of Directors presently comprises of six members (consisting of three independent non-executive directors) having experience in business, finance etc. The composition of the Board of Directors and their attendance during the financial year 2022-23 is as under:

Name of the Directors	Other Listed entities where the person is a director	Category of Directorship in Other Listed entities	No. of other Directorships <sup>1</sup>	No. of other Board Committee(s) <sup>2</sup> in which he is		Attendance at last AGM held on 05.08.2022	Attendance at Board Meetings
				Member	Chairman		
Mr. Adarsh Kanoria <sup>3</sup> -Chairman	–	–	4	–	–	Yes	4
Mr. Dharendra Kumar	1. The Scottish Assam India Ltd. 2. J . K. Paper Ltd.	Non-Executive	7	–	–	Yes	4
Mr. Samveg A. Lalbhai	1. Atul Ltd. 2. The Anup Engineering Ltd.	Executive Non-Executive	4	–	–	Yes	1
Mr. Navin Nayar	1. Cheviot Co Ltd. 2. Kanco Tea & Industries Ltd. 3. Amar Vanijya Ltd. 4. Kilburn Engineering Ltd.	Independent-Non-Executive  Non-executive	12	4	4	Yes	3
Mrs. Shubha Kanoria <sup>3</sup>	–	–	2	–	–	Yes	4
Mr. Ashutosh Bhagat	–	–	11	–	–	Yes	4
Mr. Kailash Prasad Khandelwal <sup>4</sup>	–	–	1	–	–	Yes	3
Mr. Golam Momen <sup>5</sup>	–	–	–	–	–	Yes	3

- Also includes directorships other than Public Limited Companies but excludes Foreign Companies.
- For the purpose of considering the limit of committees on which Directors can serve, all Public Limited Companies whether listed or not, have been included. However, Audit Committee & Stakeholders Relationship Committee membership are only considered.
- Mr. Adarsh Kanoria and Mrs. Shubha Kanoria are relatives.
- Resigned from the Board w.e.f. 01.01.2023
- Ceased to be Independent Director w.e.f. 29.01.2023 due to his demise



## Directors' Report

### Meetings of the Board

During the Financial Year 2022-23, the Board of Directors met 4 (four) times on the following dates: 14<sup>th</sup> May, 2022, 12<sup>th</sup> August, 2022, 12<sup>th</sup> November, 2022 and 11<sup>th</sup> February, 2023.

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

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Samveg A Lalbhai (DIN: 00009278) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment in compliance with the provisions of the Companies Act, 2013.

Brief resume of the Director, nature of his expertise in specific functional areas and details of his directorship and membership/ chairmanship of Board/ Committees, as stipulated under Listing Regulations have been provided in the Annexure to the Notice of the 40<sup>th</sup> AGM of the Company.

### Familiarisation programme for Independent Directors

The Company has formulated a module to familiarise the independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through programmes in compliance of Listing Regulations. The weblink for the same is <https://www.bengaltea.com/wp-content/uploads/2023/02/Familiarisation-Programme-btfl.pdf>. The Board of Directors confirm that in their opinion, the independent directors fulfill the conditions specified in the Listing Regulations and the Companies Act, 2013 and are independent of the management.

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

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

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

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

\*Resigned from the Board w.e.f. 01.01.2023

\*\*Ceased from the Board to be Director w.e.f. 29.01.2023 due to his demise



## Directors' Report

### 3. Audit Committee

The Audit Committee comprises of 3 (three) non-executive Directors of whom the Chairman and the 2 (two) members are Independent Directors. The committee has been meeting at regular intervals. The Chairman and the members of the Audit Committee have in-depth knowledge in the areas of Finance and Accounts. The Audit Committee acts as a link between the Internal and Statutory Auditors and the Board of Directors. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures.

**Terms of Reference:** The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee provides the Board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Committee's purpose is to review with the Management and/or Statutory Auditors and/or Internal Auditors the following areas:

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

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

#### Composition, Meetings & Attendance

Name of the Members	Category of Director	No. of Meetings attended	Dates on which Meetings held
Mr. Navin Nayar – Chairman	Independent & Non Executive	3	14.05.2022
Mr. Dharendra Kumar	Independent & Non Executive	4	12.08.2022
Mr. Ashutosh Bhagat	Independent & Non Executive	4	12.11.2022
Mr. Golam Momen*	Independent & Non Executive	3	11.02.2023

\* Ceased to be Director w.e.f. 29.01.2023 due to his demise

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

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

### 4. Nomination and Remuneration Committee

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

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

- (a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (c) devising a policy on diversity of board of directors;



## Directors' Report

- (d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- (e) whether to extend or continue the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors.
- (f) recommend to the board, all remuneration, in whatever form, payable to senior management.

### Composition, Meeting & Attendance

Name of the Members	Category of Director	No. of Meetings attended	Dates on which Meetings held
Mr. Dharendra Kumar – Chairman	Independent & Non-Executive	2	The meeting of Nomination & Remuneration Committee were held on 14.05.2022 and 12.11.2022
Mr. Golam Momen *	Independent & Non-Executive	2	
Mr. Ashutosh Bhagat	Independent & Non-Executive	2	
Mr. Samveg A. Lalbhai	Non-Executive	--	
Mr. Navin Nayar**	Independent & Non Executive	--	

\* Ceased to be Director w.e.f. 29.01.2023 due to his demise

\*\* Mr. Navin Nayar was appointed as the member of the Nomination & Remuneration Committee w.e.f. 11.02.2023

### Nomination and Remuneration Policy

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

### Remuneration to Directors paid during the financial year 2022-23 and other disclosures:

Name of the Director	Salary (₹)	Benefits (₹)	Contribution to PF, Gratuity and other Funds (₹)	Commission paid (₹)	Meeting Fees (₹)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. Adarsh Kanoria	57,15,000	11,49,784	6,85,800	–	–	01-01-2023 to 31-12-2025	3 Months*	5,36,137
Mr. Kailash Prasad Khandelwal\$	22,05,000	5,28,563	2,64,600	–	–	01-01-2020 to 31-12-2022	3 Months*	–
Mr. Golam Momen#	–	–	–	–	1,20,000	NA	NA	750
Mr. Dharendra Kumar	–	–	–	–	1,60,000	NA	NA	–
Mr. Samveg A. Lalbhai	–	–	–	–	20,000	NA	NA	–
Mr. Ashutosh Bhagat	–	–	–	–	1,40,000	NA	NA	–
Mrs. Shubha Kanoria	–	–	–	–	80,000	NA	NA	4,49,216
Mr. Navin Nayar	–	–	–	–	1,00,000	NA	NA	–

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

\$Resigned from the Board w.e.f. 01.01.2023

# Ceased to be Director w.e.f. 29.01.2023 due to his demise

### Evaluation of Board & Committee

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

The Nomination & Remuneration Committee evaluated the performance of the Executive directors, Non executive Directors, Key managerial Personnel and other Senior Managerial Personnel. Further the performance evaluation of the Independent Directors was





## Directors' Report

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

### Board Evaluation criteria

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

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

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

### 5. Stakeholders Relationship Committee

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

#### Composition of the Committee

Name of the Members	Category of Director	No. of Meetings attended	Dates on which Meetings held
Mr. Golam Momen – Chairman*	Independent & Non-Executive	–	The meeting of Stakeholders Relationship Committee was held on 11.02.2023
Mr. Ashutosh Bhagat- Chairman#	Independent & Non-Executive	–	
Mr. Dharendra Kumar	Independent & Non-Executive	1	
Mr. Navin Nayar	Independent & Non-Executive	1	
Mr. Adarsh Kanoria	Executive	1	

\* Ceased to the director w.e.f. 29.01.2023 due to his demise

#Mr. Ashutosh Bhagat was appointed as the member and Chairman of the Stakeholders Relationship Committee w.e.f. 11.02.2023



## Directors' Report

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

Sl. No.	INVESTOR COMPLAINTS	Number
1.	Number of Investor Complaints received during the year	Nil
2	Number of complaints resolved during the year till 31 <sup>st</sup> March, 2023	Nil
3.	Number not solved to the satisfaction of the shareholders till 31 <sup>st</sup> March, 2023	Nil
4.	Number of complaints pending as at 31 <sup>st</sup> March, 2023	Nil

### 6. Corporate Social Responsibility Committee:

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

Name of the Members	Category of Director	No. of Meetings attended	Dates on which Meetings held
Mrs. Shubha Kanoria- Chairperson#	Non-Executive	--	The meeting of CSR Committee was held on 12.11.2022
Mr. Dharendra Kumar	Independent & Non-Executive	1	
Mr. Golam Momen*	Independent & Non-Executive	1	
Mr. Adarsh Kanoria – Chairman^	Executive	1	

# Mrs. Shubha Kanoria was appointed as the member and Chairperson of the Corporate Social Responsibility Committee w.e.f. 11.02.2023

\*Ceased to be Director w.e.f. 29.01.2023 due to death

^Ceased to be Chairman w.e.f. 11.02.2023

The Company does not fall under the criteria mentioned under Section 135 of the Companies Act, 2013 for making CSR Contribution in the financial year 2022-23. Accordingly, there were no CSR expenditure for the financial year ended 31<sup>st</sup> March, 2023 and hence annual report on CSR has not been provided.

### 7. Independent Directors Meeting

During the year under review, the Independent Directors of the Company met on 11<sup>th</sup> February, 2023 inter alia, to:

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

### 8. Independent Directors Database

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

### 9. General Body Meetings

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

AGM	Date of Meeting	Venue	Time
37 <sup>th</sup> AGM	15.09.2020	Century Towers, 4 <sup>th</sup> Floor, 45 Shakespeare Sarani, Kolkata 700 017	11.00 A.M.
38 <sup>th</sup> AGM	31.08.2021	Century Towers, 4 <sup>th</sup> Floor, 45 Shakespeare Sarani, Kolkata 700 017	11.30 A.M.
39 <sup>th</sup> AGM	05.08.2022	Century Towers, 4 <sup>th</sup> Floor, 45 Shakespeare Sarani, Kolkata 700 017	11.00 A.M.



## Directors' Report

Special Resolutions were passed at the 37<sup>th</sup> AGM and 39<sup>th</sup> AGM. No Special Resolutions was passed at the 38<sup>th</sup> AGM. The details of the Special Resolutions passed at the 37<sup>th</sup> AGM and 39<sup>th</sup> AGM are as follows:

Date of AGM	Particulars of Special resolutions passed
37 <sup>th</sup> AGM dated 15.09.2020	1. Re-appointment of Mr. Navin Nayar (DIN: 00136057) as an Independent Director of the Company 2. Re-appointment of Mr. Ashutosh Bhagat (DIN: 00059842) as an Independent Director of the Company
39 <sup>th</sup> AGM dated 05.08.2022	1. Re-appointment of Mr. Adarsh Kanoria (DIN: 00027290) as the Managing Director of the Company 2. Alteration of the Object Clause of the Memorandum of Association of the Company 3. Alteration of Articles of Association of the Company 4. Increase in Limits of Intercompany loans, guarantees and investments prescribed under Section 186 of the Companies Act, 2013

During the year, one Special Resolution for closure/sale of Textile unit of the Company situated at Ahmedabad was passed vide Postal Ballot Notice dated 10.03.2022 whose results were declared on 25.04.2022. Mrs. Swati Bajaj, (CP No. 3502, Membership No. ACS 13216) Partner of M/s. Bajaj Todi & Associates, Practicing Company Secretaries, Kolkata were appointed as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner and had engaged the services of National Securities Depository Limited (NSDL) as the agency for the purpose of providing e-voting facility. Mrs. Swati Bajaj had submitted her report dated 25<sup>th</sup> April, 2022 to Mr. Adarsh Kanoria, Chairman which was as follows:

Sr. No.	Date of Declaration of Postal Ballot Results	Description	Votes in favour of the resolution		Votes against the resolution	
			No. of votes	% to total votes	No. of votes	% to total votes
1.	25.04.2022	Special Resolution for Closure and disposal of the Textile Unit of the Company situated at Asarwa Mills, Ahmedabad	6897334	99.996	283	0.004

### 10. Affirmations and Disclosures

#### a. Related Party Transactions

During the year under review, the Company had not entered into any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The transactions with related parties, in the normal course of business, have been disclosed separately in the Notes on Accounts. The Omnibus Approval of the Audit Committee is taken for Related Party Transactions which are regular in nature and the details of all Related Party Transactions actually entered into in the preceding quarter are placed before them. The Company has formulated a policy on Related Party Transactions. The weblink of the policy is <https://www.bengaltea.com/wp-content/uploads/2022/10/Related-party.pdf>

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

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of Stock Exchange and SEBI except delay in Filing of Related Party Transactions for the half year ended 31st March, 2022 for which a penalty was imposed. The same was paid by the Company. Apart from this there were no strictures or penalties imposed by either SEBI or Stock Exchange or any statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

#### c. Vigil Mechanism

The Company has formed a Vigil Mechanism as per the provisions of the Companies Act, 2013 vide Board Meeting dated 10th May, 2014 which was revised vide Board Meeting dated 9th February, 2019 the details of which are available on the Company's Website: [www.bengaltea.com](http://www.bengaltea.com)

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



## Directors' Report

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

**d. Risk Management Policy**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company has formulated a Risk Management Policy the details of which are available on the Company's Website: [www.bengaltea.com](http://www.bengaltea.com) but constitution of Risk Management Committee is not applicable to the Company as per SEBI Circular No.CIR/CFD/ POLICY CELL/2/2014 dated 17th April, 2014. The weblink for the Risk Management Policy is <https://www.bengaltea.com/wp-content/uploads/2023/06/Risk-Management-Policy.pdf>

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

The Company has adequate risk assessment and minimization system in place including for commodities. The Management monitors the commodities/ raw materials whose prices are volatile and suitable steps are taken to minimize the risk. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 pertaining to Regulation 34(3) read with clause 9(n) of Part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**f. A certificate has been received from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.**

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

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

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2023. The ratings given by CARE for long-term borrowings of the Company were A3 and BBB Negative: Stable respectively which has been revised on 21.09.2022 during the year under review and stands at BBB Negative: Stable for long-term borrowings.

**i. Subsidiary Companies**

The Company has no subsidiary as on date. However, the Policy for determining Material Subsidiaries is formulated in terms of the requirement of the Listing Regulations by the Board of Directors of the Company. The said policy has been uploaded on the website of the Company viz. [www.bengaltea.com](http://www.bengaltea.com). The weblink for the same is [https://www.bengaltea.com/wp-content/uploads/2019/03/POLICY-FOR-DETERMINING-%E2%80%98MATERIAL%E2%80%99-SUBSIDIARY\\_OCR.pdf](https://www.bengaltea.com/wp-content/uploads/2019/03/POLICY-FOR-DETERMINING-%E2%80%98MATERIAL%E2%80%99-SUBSIDIARY_OCR.pdf)

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

The details of number of complaints filed and disposed of during the year and pending as on 31<sup>st</sup> March, 2023 is given in the Directors' report.

**k. Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**l. CEO and CFO Certification**

As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the Managing Director and Chief Financial Officer have given appropriate certifications to the Board of Directors regarding the review of the Financial Statement, Compliance with the Accounting Standard, Maintenance of the Internal Control Systems for Financial Reporting and Accounting Policies etc. which forms part of this Annual Report.

**m. Outstanding shares in Suspense Escrow Demat Account as on 31st March, 2023**

The Company has opened a Suspense Escrow Demat Account with a Depository Participant as mandated by SEBI Circular dated 25th January, 2022. There are 200 equity shares against 4 Folios lying in the aforesaid account as on 31st March, 2023.

**n. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations.**



## Directors' Report

- o. There has not been any instance where the Board of Directors did not accept the recommendations of committees of the Board, which is mandatorily required.

### Mandatory requirements adopted by the Company

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

### Non-Mandatory requirements adopted by the Company

1. The Internal Auditor reported to the Audit Committee about the Audit Observations made by them and necessary steps were taken by the Management to rectify the same.
2. The Financial Statements are free from any Audit Qualifications.

### 11. Means of Communication

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

Unaudited Financial Results For three months ended	Newspaper Published In	
	Financial Express ( English)	Arthik Lipi (Bengali)
30.06.2022	13.08.2022	13.08.2022
30.09.2022	14.11.2022	14.11.2022
31.12.2022	13.02.2023	13.02.2023

### 12. Management Discussion and Analysis Report

A "Management Discussion and Analysis Report" has been included as a part of the Directors' Report to the shareholders as "Annexure- A" for the year ended 31<sup>st</sup> March, 2023.

### 13. General Shareholder information

Annual General Meeting: Date : 4<sup>th</sup> August, 2023

Time : 11.00 A.M.

Financial Year : 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

Date of Book Closure : 29<sup>th</sup> July, 2023 to 4<sup>th</sup> August, 2023 (Both days inclusive)

Financial Calender (Tentative):

i.	Financial Year	1st April, 2023 to 31st March, 2024
ii.	First quarter results	On or before 14 <sup>th</sup> August, 2023
iii.	Half yearly results	On or before 14th November, 2023
iv.	Third quarter results	On or before 14th February, 2024
v.	Audited Financial Statements	On or before 30th May, 2024

### Listing on Stock Exchanges & Stock Code

#### BSE Limited

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

The Company has paid the listing fees for the financial year 2023-24.

### Market Price Data and Number of Shares traded at BSE Ltd. during the Financial Year 2022-23

	April	May	June	July	August	September
High	81.70	83.90	78.90	80.00	81.85	78.90
Low	62.60	65.10	65.00	66.15	69.00	70.10
Volume	70764	63375	47169	51463	66369	52672



## Directors' Report

	October	November	December	January	February	March
High	94.00	88.80	86.80	85.00	84.50	79.80
Low	69.00	72.50	74.40	76.85	70.00	67.40
Volume	112034	182497	89749	47258	47936	32991

### Performance in comparison to broad based indices

	31.03.2023	31.03.2022	Change (%)
Share prices of BTFL (₹)	71.20	68.00	4.71%
V/s BSE Sensex	58979.76	58568.51	0.66%

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

### Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In reference to SEBI Circular dated January 25, 2022, the Security holder/Claimant shall submit duly filled up Form ISR-4 for processing of service request related to transmission, transposition, consolidation/sub-division/endorsement of share certificate, issue of duplicate share certificate along with requisite documents. The Form ISR-4 is available and can be downloaded from the website of the Company viz., [www.bengaltea.com](http://www.bengaltea.com). The Company/RTA shall issue letter of confirmation after processing the service requests which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

### Distribution of Shareholding as on 31<sup>st</sup> March, 2023

Sl. No.	Category of Shareholders (No. of Shares Held)	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Holding
1	Upto 50	5223	73.59	218816	2.43
2	51-100	724	10.20	67727	0.75
3	101-500	412	5.80	69158	0.77
4	501-1000	169	2.38	45003	0.50
5	1001-2000	86	1.21	32284	0.36
6	2001-3000	102	1.44	49288	0.55
7	3001-4000	164	2.31	138185	1.53
8	4001-5000	156	2.20	348828	3.87
9	5001-10000	22	0.31	155738	1.73
10	10001 & above	40	0.56	7880958	87.51
	Total	7098	100.00	9005985	100.00

### Shareholding Pattern as on 31<sup>st</sup> March, 2023

Sl. No.	Category	Number of Shares held	Percentage of Shareholding
1	Promoters	6608712	73.38
2	Institutional Investors (Financial Institutions, Insurance Companies, Banks, Mutual Funds etc)	25423	0.28
3	Body Corporates (other than above)	509861	5.66
4	Resident Public	1499508	16.65
5	NRIs' / Foreign Nationals	11736	0.13
6	The Official Trustee of West Bengal	11520	0.13
7	Clearing Members	101	0.00
8	IEPF & Others	339124	3.77
	Total	9005985	100.00





## Directors' Report

<i>Dematerialisation &amp; Liquidity of Shares</i>	:	The equity shares of the Company are under the list of “compulsorily delivery in dematerialised form by all investors” and the ISIN allotted by NSDL and CDSL is INE665D01016. Out of total equity shares of the Company 87,45,506 equity shares have been dematerialised upto 31 <sup>st</sup> day of March, 2023. The shares are regularly traded at BSE Limited.
<i>Outstanding GDR/ADR/Warrants or any Convertible instrument</i>	:	Nil
<i>Plant Locations</i>	:	Ananda Tea Estate, North Lakhimpur, Assam - 787 056
<i>Address for correspondence</i>	:	Share related queries/correspondences Registrar & Share Transfer Agents – Address as above OR The Company Secretary Bengal Tea & Fabrics Limited Century Towers, 4 <sup>th</sup> Floor, 45, Shakespeare Sarani, Kolkata 700 017 Telefax Nos.: 033 2283-6416/17 E-mail : investor@bengaltea.com, Website: www.bengaltea.com

### Outstanding Equity Shares in the Suspense Escrow Demat Account opened with a Depository#

Particulars	Total No. of Shareholders	No. of Outstanding Shares lying in Unclaimed Share Suspense Account
As on 1st April, 2022	NIL	NIL
Further shares transferred to Suspense Escrow Demat Account no -IN302105-10929307	5	250
Shareholders, who approached the Company for transfer/delivery during the year 2022-23	1	50
Shares transferred/delivered during the year 2022-23	1	50
Shareholders, who approached the Company for transfer/ delivery pending compliance of verification process	4	200
Shares transferred to Investor Education and Protection Fund (IEPF) u/s 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.	Nil	Nil
Balance as on 31st March, 2023	4	200

#Voting rights on these shares in the Suspense Escrow Demat Account will remain frozen till formally claimed by the shareholder concerned.

For & on behalf of the Board  
**BENGAL TEA & FABRICS LIMITED**

Sd/-

Place : Kolkata  
Dated: 25<sup>th</sup> May, 2023

**Adarsh Kanoria**  
Chairman & Managing Director  
(DIN:00027290)



## Directors' Report

### CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
Bengal Tea & Fabrics Limited

We have examined the compliance of conditions of Corporate Governance by Bengal Tea & Fabrics Limited for the year ended 31st March, 2023 as stipulated provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

We state that in respect of Investors' grievances received during the financial year ended on 31st March, 2023, no Investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For **Bajaj Todi & Associates**  
Practising Company secretaries

Sd/-

**Swati Bajaj**

Partner

M. No: A13216

C.P.No. 3502

ICSI Firm Registration Number: P2020WB081300

UDIN: A013216E000275126

Date: 09/05/2023



## Directors' Report

### CEO –CFO CERTIFICATION

We, Adarsh Kanoria, (DIN: 00027290) Managing Director of the Company and Atul Doshi, Chief Financial Officer of the Company, do hereby certify to the Board that:

- (a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2023 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and we have taken or propose to take the steps to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) That there have not been significant changes in internal control over financial reporting during the year;
  - (ii) That there have not been significant changes in accounting policies during the year, which are required to be disclosed in the notes to the financial statements; and
  - (iii) That there have not been instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Bengal Tea & Fabrics Limited

Sd/-

**Adarsh Kanoria**

Chairman & Managing Director  
(DIN:00027290)

Sd/-

**Atul Doshi**

Chief Financial Officer

Place:Kolkata

Date: 25.05.2023

### Annual Compliance with the Code of Conduct for the Financial Year 2022-23

Pursuant to Para D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Adarsh Kanoria, (DIN: 00027290) Managing Director of the Company hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended 31st March, 2023 from all the Board Members and Senior Management Personnel's.

For Bengal Tea & Fabrics Limited

Sd/-

**Adarsh Kanoria**

Chairman & Managing Director  
(DIN: 00027290)

Dated: 25.05.2023

Place: Kolkata



## Directors' Report

### ANNEXURE – “C”

#### SECRETARIAL AUDIT REPORT for the financial year ended 31<sup>st</sup> 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 Tea & Fabrics Limited**

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> 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. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. 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;
    - d. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
    - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
  - a. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - b. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - d. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
3. The Company is engaged in the business of Tea. The following laws are applicable specifically to the Company:
  - a. The Tea Act, 1953,
  - b. Assam Tea Plantation Labour Act, 1951
  - c. Food Safety Standard Act, 2006
4. We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.



## Directors' Report

- (ii) The Listing Agreement(s) entered into by the Company with Stock Exchange(s) as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that under the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder, there were no External Commercial borrowings made, Foreign Direct Investment received, Overseas Direct Investment by Residents in Joint venture/ Wholly Owned Subsidiary abroad received, during the financial year under report.
  6. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above.
  7. As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
  8. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
  9. We further report that:
    - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
      - Mr. Kailash Prasad Khandelwal, Whole Time Director, resigned from the Board of Directors of the Company w.e.f. 01-January-2023
      - Mr. Golam Momen, Independent Director, vacated his office as Director of the Company due to his demise on 29-January-2023.
    - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  10. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
  11. During the audit period, except the event(s) listed below no other events occurred which has any major bearing on the Company:
    - The Company had received approval on 25-April-2022 from shareholders of the Company through Postal Ballot to close/sell/transfer/dispose off its Textile division and related assets and equipment situated at Asarwa Mills, Ahmedabad, Gujarat together with all specified tangible assets in relation to the Undertaking.

For Bajaj Todi & Associates

Sd/-

(Swati Bajaj)

Partner

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

UDIN:A013216E000275137

Place : Kolkata

Date : 09/05/2023



## Directors' Report

### 'Annexure A'

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

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

#### MANAGEMENT'S RESPONSIBILITY

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

#### AUDITOR'S RESPONSIBILITY

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

#### DISCLAIMER

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

**For Bajaj Todi & Associates**

**Sd/-**

**(Swati Bajaj)**

Partner

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

UDIN:A013216E000275137

Place : Kolkata  
Date : 09/05/2023





## Directors' Report

### ANNEXURE- D

#### Particulars Of Employees

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

Requirements of Rule 5(1)	Details
(i) The ratio of the remuneration of each director to the median remuneration of the company for the financial year	Mr. Adarsh Kanoria -MD -29.92:1 Mr. Kailash Prasad Khandelwal \$ -WTD - 15.85:1 Mr. Golam Momen # - N.A. * Mr. Dharendra Kumar - N.A.* Mr. Samveg A. Lalbhai - N.A.* Mr. Navin Nayar - N.A.* Mr. Ashutosh Bhagat - N.A.* Mrs. Shubha Kanoria - N.A.*
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors :</b> Mr. Adarsh Kanoria -MD - 13.83% Mr. Kailash Prasad Khandelwal \$-WTD -6.92% Mr. Golam Momen# - N.A. Mr. Dharendra Kumar - N.A. Mr. Samveg A. Lalbhai - N.A. Mr. Navin Nayar - N.A. Mr. Ashutosh Bhagat - N.A. Mrs. Shubha Kanoria - N.A.  <b>Key Managerial Personnel :</b> Mr. Atul Doshi - CFO - 6.87 % Mrs. Sunita Shah - CS - 6.76 %
(iii) The percentage increase in the median remuneration of employees in the financial year	23%
(iv) The number of permanent employees on the rolls of the Company	1520 employees as on 31.03.2023
(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average Salary increase of the employees were 7 % in the Tea Division  Average salary increase of the Managerial personnel were 11.34 % as compared to other employees of the Company, which is reasonably comparable.
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended 31st March, 2023 is as per the Remuneration Policy of the Company

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

\$ Resigned from the Board w.e.f. 31.12.2022

# Ceased to be Director w.e.f. 29.01.2023 due to demise



## Directors' Report

### ANNEXURE- D

#### Directors Report-Employee Details

#### B. Information pursuant to Rule 5 (2) & 5 (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended displaying the names of the top ten employees in terms of remuneration drawn during the year:

Sl. No.	Name of employees	Age (Years)	Designation	Remuneration (₹ in Lakhs)	Qualification	Experience (Years)	Date of commencement of Employment	Previous employment held
1	Adarsh Kanoria*§	56	Managing Director	75.51	B.COM (HONS), Diploma in Case Studies from Harvard Business School, USA	36	01.01.1992	First Employment
2	Kailash Prasad Khandelwal# &	67	President	39.98	B.COM	48	01.01.1974	First Employment
3	Atul Doshi	62	Chief Financial Officer	33.99	Chartered Accountant, ACMA (U.K.)	39	13.11.2014	Visa Comtrade limited
4	Narinder Singh	56	Manager -Garden	17.94	M.SC (Bot)	35	26.12.2020	James Warren Tea Co. Ltd.
5	Manish Kumar Agarwal	42	AGM- Finance & Accounts	17.82	ACA, B.COM (H)	13	23.03.2015	Stone India Limited
6	Sunita Shah	39	Company Secretary- Group	14.10	M. COM, FCS, LLB	14	10.09.2012	VCK Capital Market Services Limited
7	Adarsh Meharia#	35	Mgr -Fin & Accts	11.88	ACA, ACS, ACMA, B.Com (H)	11	19.02.2018	Hanuman Agro Industries Ltd
8	Kushagra Kanoria**#§	29	Vice President - Group	10.46	B.SC in Engineering (Computer Science) from the University of Michigan, USA	6	01.07.2017	Deutsche Bank AG, 60, Wall Street, New York, USA
9	Ranjan Kr.Das	58	Executive	10.15	B.COM	34	7.3.1992	Megabyte Computer Academy
10	Arun Kumar Joshi	51	Commercial General-Manager	10.11	B.COM (HONS), CA (INTER)	18	15.09.2021	Ganesh Pancharatnam India Ltd.

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

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

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

# Employed for part of the year

& Whole time Director upto 31.12.2022 and President w.e.f. 01.01.2023

#### Notes:

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



## Directors' Report

### ANNEXURE – “E”

#### ANNEXURE TO DIRECTOR'S REPORT

**INFORMATION AS PER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

#### A. CONSERVATION OF ENERGY:

##### (i) The steps taken or impact on conservation of energy:

##### 1. The Company has taken following steps to conserve energy:

With the Installation of new generation heater and dryer, there is expected to be saving in coal, power and electricity for the Tea Division of the Company.

##### 2. Pollution Control:

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

##### (ii) The steps taken by the company for utilizing alternate sources of energy : Nil

##### (iii) The Capital Investment on energy conservation equipment: ₹ 122.58 Lakhs

#### B. TECHNOLOGY ABSORPTION:

##### (i) Specific areas in which R & D carried out by the Company: The Tea Division subscribes to Tea Research Association which is registered u/s 35(1)(ii) of the Income Tax Act, 1961.

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

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

##### (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable

##### (iv) The expenditure incurred on Research & Development : ₹ NIL

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year 2022-23, the Company had incurred a net sum of ₹ 39.96 Lakhs (net) in foreign exchange.

##### i) Foreign Exchange Earnings : ₹ Nil Lakhs

##### ii) Foreign Exchange Outgo : ₹ 39.96 Lakhs



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## Financial Section

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## Independent Auditors' Report

To the Members of  
Bengal Tea & Fabrics Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Bengal Tea & Fabrics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key Audit Matter	Auditor's Response
<p><b>Disclosure of Contingency, Litigation &amp; Taxation</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>The Company is exposed to different laws, regulations and interpretations thereof. The company is also subject to number of significant claims, litigations, regulatory including Income tax {refer note no. 41} and various matters require legal interpretation that arises from time to time in the ordinary course of business. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature. The Company is required to assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation</p> <p>We have considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"> <li>➤ Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities;</li> <li>➤ Analysed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change;</li> <li>➤ Discussed the status of significant known actual and potential litigations with the management &amp; noted that information placed before the board for such cases and,</li> <li>➤ Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.</li> </ul>



## Independent Auditors' Report

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example Board's Report, Report on Corporate Governance, Management Discussion and Analysis Report, etc. but does not include financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

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

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

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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





## Independent Auditors' Report

- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit total revenue of Rs. 645 Lakhs and Rs. NIL and total comprehensive income of Rs. (18) Lakhs and Rs. NIL of Textile Division & Real Estate Division for the year ended March 31, 2023 respectively and the total assets of Rs. 78 Lakhs and Rs. 1,621 Lakhs of Textile Division & Real Estate Division as at March 31, 2023 respectively, (including Revenue amounting to Rs. 645 Lakhs, profit before tax of Rs.170 Lakhs and assets of Rs. 78 Lakhs for the discontinued operations of Textile Division as disclosed in the Financial Statement) whose financial information have been audited by the other auditor and whose report has been furnished to us, and our opinion in so far as it relates to the affairs of these divisions is based solely on the report of the other auditor.

Our conclusion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branch not visited by us;
  - c) The balance sheet, the statement of profit and loss (including Other Comprehensive Income), the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors for the year ended March 31, 2023 is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.



## Independent Auditors' Report

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 41 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.
  - (a). The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 55 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b). The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 55 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c). Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - (d). The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
  - (e). As stated in Note 18.12 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

For Jain & Co

Chartered Accountants

Firm Registration No.302023E

UDIN 23055048BGWCDX1667

Sd/-

(CA M K Jain)

Partner

Membership No. 055048

P 21/22 Radha Bazar Street,  
Kolkata 700001  
Dated the 25<sup>th</sup> day of May,2023



## Independent Auditors' Report

### ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bengal Tea & Fabrics Ltd. of even date)

- i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment.  
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- b. Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- e. According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and rules made thereunder.
- ii. a. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year except for stores and spares which are physically verified in a phased manner to cover all the items over a period of three years. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the coverage and procedure of such verification by the management is appropriate.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of Stock and Debtors. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are not in agreement with the unaudited books of accounts of the Company and the details are as follows (Refer note – 23.3 to the financial statements): -

Quarter Ending	Value as per (₹ in Lakhs)		Variance (₹ in Lakhs)	Reasons for Variances
	Books	Quarterly Statement		
Punjab National Bank				
June 30, 2022	904.04	905.10	(1.06)	During the year there were no major variances till December 2022. From January 2023 onwards, Company is required to submit only quantitative details without any value ascertained. Hence not applicable.
September 30, 2022	1200.73	1200.73	-	
December 31, 2022	545.88	545.88	-	
March 31,2023	N.A.	N.A.	-	

- iii. (a). During the year the Company has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Accordingly, the reporting under clauses 3(iii)(a), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (b). In our opinion and according to the information and explanation given to us, the investments made during the year are prima facie, not prejudicial to the Company's interest.
- iv. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made as covered under Section 186 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.



## Independent Auditors' Report

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Custom duty, Cess and other material statutory dues as applicable to it with the appropriate authorities. No undisputed statutory dues as above were outstanding as at March 31, 2023 for a period of more than six months from the date they became payable, except as mentioned below:

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

b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, excise duty, service tax, and Cess, if any, which have not been deposited as at March 31, 2023, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the Amount relates	Forum where dispute is pending
Employee State Insurance	E.S.I Contribution	1.86	2004-2005	High Court, Gujarat
		1.04	2016-2017	
Central Excise	Excise Duty	26.93	2014-2015	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Branch, Ahmedabad
Central Excise	Excise Duty	9.19	2016-2017 2017-2018	Customs, Excise & Service Tax Appellate Tribunal, West Zonal Branch, Ahmedabad

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year.

ix. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.

b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or government authority.

c. In our opinion and according to the information and explanations given to us by the management, no term loans were obtained by the company during the financial year.

d. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of any company to meet the obligations as defined under the Act.

f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities as defined under the Act.

x. a. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come



## Independent Auditors' Report

across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

- b. During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. As represented to us by the management, there are no whistle blower complaints received by the Company during the year
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- xiv. a. Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. a. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) & (b) of the order is not applicable to the Company
- b. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- c. Based on the information and explanations provided by the management of the Company, the Group does not have any CIC's, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (refer note – 54 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi. The Company is not required to prepare Consolidated Financial Statements. Accordingly, clauses 3(xxi) of the Order is not applicable.

**For Jain & Co**

**Chartered Accountants**

**Firm Registration No.302023E**

**UDIN:23055048BGWCDX1667**

**Sd/-**

**(CA M K Jain)**

*Partner*

**Membership No. 055048**

**P 21/22 Radha Bazar Street,  
Kolkata 700001**

**Dated the 25<sup>th</sup> day of May, 2023**



## Independent Auditors' Report

### ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Bengal Tea & Fabrics Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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



## Independent Auditors' Report

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal financial controls over financial reporting in so far as it relates to Textile Division & Real Estate Division (including discontinued operations as disclosed in the Financial Statements – Refer note 40) is based on the corresponding reports of the other auditors of the branches not visited by us. Our opinion is not modified in respect of this matter.

P 21/22 Radha Bazar Street,  
Kolkata 700001  
Dated the 25<sup>th</sup> day of May, 2023

**For Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No.302023E**  
**UDIN:23055048BGWCDX1667**

Sd/-

**(CA M K Jain)**  
*Partner*  
**Membership No. 055048**



**Balance Sheet** as at 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

	Note No.	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	4,839.80	4,686.64
Capital work-in-progress	5	224.88	91.15
Intangible assets	6	6.61	9.51
		5,071.29	4,787.30
<b>Financial Assets</b>			
Investments	12	1,352.01	100.00
Other financial assets	7	33.07	33.24
Deferred tax assets (net)	8	773.85	1,029.66
Other non-current assets	9	22.59	12.54
		2,181.52	1,175.44
<b>CURRENT ASSETS</b>			
Inventories	10	2,115.57	2,501.07
Biological assets other than bearer plants	11	14.34	39.25
<b>Financial assets</b>			
Investments	12	2,751.21	901.54
Trade receivables	13	36.70	5.90
Cash and cash equivalents	14	154.51	1,396.34
Bank balances other than Note 14	15	6.10	5.86
Loans	16	6.57	8.44
Other financial assets	7	64.79	66.60
		3,019.88	2,384.68
Current tax asset (Net)	17	131.82	-
Other current assets	9	179.55	139.86
Assets pertaining to disposal group	40.2	77.67	1,490.64
<b>Total Assets</b>		<b>12,791.64</b>	<b>12,518.24</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	18	901.07	901.07
Other Equity	19	10,433.18	10,601.63
		11,334.25	11,502.70
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Long Term Borrowings	20	-	-
Provisions	21	24.16	45.13
Other non-current liabilities	22	15.29	17.77
<b>CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Short Term Borrowings	23	683.19	87.54
Trade payables	24		
(A) Total outstanding dues to micro and small enterprises		11.74	6.45
(B) Total outstanding dues to creditors other than micro enterprises and small enterprises		178.78	168.56
Other financial liabilities	25	54.93	22.42
		928.64	284.97
<b>Other current liabilities</b>	26	272.59	276.21
Provisions	27	112.03	4.21
Current Tax Liabilities ( Net)	17	-	139.32
Liabilities pertaining to disposal group	40.2	104.68	247.93
<b>Total Equity and Liabilities</b>		<b>12,791.64</b>	<b>12,518.24</b>
Basis of Accounting	2		0.00
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		
The Notes are an integral part of the Financial Statements			

As per our Report annexed of even date

For **JAIN & CO.**

Chartered Accountants

Firm Registration No. 302023E

Sd/-

**CA M. K. JAIN**

Partner

Membership No. 055048

Kolkata

Sd/-

**A. KANORIA**Chairman & Managing Director  
(DIN:00027290)

Sd/-

**ATUL DOSHI**

Chief Financial Officer

Sd/-

**SUNITA SHAH**

Company Secretary

Dated - The 25th Day of May, 2023



## Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

INCOME	Note No.	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
Revenue from operations	28	4,952.28	5,513.20
Other income	29	275.56	136.72
<b>Total income</b>		<b>5,227.84</b>	<b>5,649.92</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	1,203.57	1,426.12
Purchases of stock- in- trade	31	-	33.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	434.87	(38.98)
Employee benefits expense	33	1,984.15	1,908.60
Finance costs	34	42.94	43.15
Depreciation and amortization expense	35	177.92	180.00
Other expenses	36	1,326.40	1,189.26
<b>Total expenses</b>		<b>5,169.85</b>	<b>4,741.53</b>
<b>Profit from Operations before Exceptional items &amp; Taxation</b>		<b>57.99</b>	<b>908.39</b>
<b>Exceptional Items</b>	37	-	3,003.40
<b>Profit before taxation</b>		<b>57.99</b>	<b>3,911.79</b>
Tax expense:	38		
Current tax		-	281.55
(Net of minimum alternate tax credit)			
Deferred tax		404.93	(369.96)
Income Tax for earlier years		(226.02)	1.82
<b>Profit from Continuing Operations</b>		<b>(120.92)</b>	<b>3,998.38</b>
Profit /(Loss) from discontinued operations	40.1	170.09	(1,028.98)
Loss arising due to Impairment of assets pertaining to Disposal Group	40.1	-	(1,115.90)
Tax expense of discontinued Operations	38	26.94	25.00
<b>(Loss) / Profit from discontinued operations (after tax)</b>		<b>143.15</b>	<b>(2,169.88)</b>
<b>Profit /(Loss) for the year</b>		<b>22.23</b>	<b>1,828.50</b>
<b>Other Comprehensive Income</b>	39		
i. Items that will not be reclassified to profit or loss		(100.62)	66.59
ii. Income tax relating to these items		-	-
Other Comprehensive Income for the Year (net of tax)		(100.62)	66.59
<b>Total Comprehensive Income / (Loss) for the period</b>		<b>(78.39)</b>	<b>1,895.09</b>
<b>Earnings Per Share</b>			
Nominal Value of Shares (₹)		10.00	10.00
Weighted Average Number of Ordinary Equity Shares outstanding during the year		90,05,985	90,05,985
<b>Basic &amp; Diluted Earnings Per Share -before exceptional items</b>		<b>0.25</b>	<b>(13.04)</b>
-from continuing operations		(1.34)	11.05
-from discontinued operations		1.59	(24.09)
<b>Basic &amp; Diluted Earnings Per Share -after exceptional items</b>		<b>0.25</b>	<b>20.31</b>
-from continuing operations		(1.34)	44.40
-from discontinued operations		1.59	(24.09)
Basis of Accounting	2		
Significant Accounting Policies	3		
Significant Judgements & Estimates	4		

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **JAIN & CO.**

Chartered Accountants

Firm Registration No. 302023E

Sd/-

**CA M. K. JAIN**

Partner

Membership No. 055048

Kolkata

Sd/-

**A. KANORIA**

Chairman & Managing Director  
(DIN:00027290)

Sd/-

**ATUL DOSHI**

Chief Financial Officer

Sd/-

**SUNITA SHAH**

Company Secretary

Dated - The 25th Day of May, 2023



## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

	For the year ended					
	31 <sup>st</sup> March, 2023			31 <sup>st</sup> March, 2022		
	from Continuing Operations	from Discontinued Operations	Total	from Continuing Operations	from Discontinued Operations	Total
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit / (Loss) before tax and exceptional items	57.99	170.09	228.08	908.39	858.52	1,766.91
Finance cost	42.94	-	42.94	43.15	110.53	153.68
Depreciation (including amortization & impairment)	177.92	-	177.92	180.00	1,278.20	1,458.20
Interest /Dividend received	(98.39)	(1.42)	(99.81)	(6.06)	(0.59)	(6.65)
Rent received	-	-	-	-	(0.60)	(0.60)
Loss /(Profit) on Property, Plant and Equipment sold/discarded (Net)	(19.77)	(336.24)	(356.01)	(5.72)	(3,071.28)	(3,077.00)
Net (Gain) on sale of investments	(40.60)	-	(40.60)	(25.34)	-	(25.34)
Mark to Market (gain) on financial instruments under FVTPL	(55.98)	-	(55.98)	(23.77)	-	(23.77)
Sundry Balances Written Back /Written Off	-	8.12	8.12	-	10.25	10.25
<b>Operating Profit/ (Loss) before Working Capital Changes</b>	<b>64.11</b>	<b>(159.45)</b>	<b>(95.34)</b>	<b>1,070.65</b>	<b>(814.97)</b>	<b>255.68</b>
<b>ADJUSTMENT FOR :</b>						
(Increase)/Decrease in trade receivables	(30.80)	164.57	133.77	28.50	732.28	760.78
(Increase)/Decrease in Non-current & current financial assets	(1.95)	42.91	40.96	(35.92)	(22.83)	(58.75)
(Increase) /Decrease in Non-current & current assets	(11.80)	211.46	199.66	(51.22)	(3.63)	(54.85)
(Increase) /Decrease in Inventories	385.50	291.63	677.13	(68.36)	926.96	858.60
Increase /(Decrease) in Trade Payables	15.51	(168.07)	(152.56)	(3.51)	(957.61)	(961.12)
Increase /(Decrease) in Non-current & current financial liabilities	32.51	41.01	73.52	(45.00)	(0.37)	(45.37)
Increase /(Decrease) in Non-current & current provisions	3.97	(9.43)	(5.46)	(60.61)	(33.58)	(94.19)
Increase /(Decrease) in Non-current & current liabilities	(6.10)	(6.76)	(12.86)	64.57	(1.99)	62.58
<b>Cash Generated from Operations</b>	<b>450.94</b>	<b>407.88</b>	<b>858.82</b>	<b>899.10</b>	<b>(175.74)</b>	<b>723.36</b>
Income Tax (Paid)/ received (Net)	(247.00)	2.63	(244.37)	(34.58)	(28.28)	(62.86)
<b>Net Cash Flow from Operating Activities</b>	<b>203.94</b>	<b>410.51</b>	<b>614.45</b>	<b>864.52</b>	<b>(204.02)</b>	<b>660.50</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase of Property, Plant and Equipment	(471.34)	-	(471.34)	(423.83)	(0.85)	(424.68)
Sale of Property, Plant and Equipment	29.21	979.48	1,008.69	11.89	3,205.57	3,217.46
Changes in Capital Advance	(13.02)	-	(13.02)	17.63	30.07	47.70
Purchase of Investments	(3,923.72)	-	(3,923.72)	(1,349.68)	-	(1,349.68)
Sale of Investments	948.84	-	948.84	1,326.06	-	1,326.06
Interest /Dividend Received	96.61	1.56	98.17	1.43	0.61	2.04



## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

	For the year ended					
	31 <sup>st</sup> March, 2023			31 <sup>st</sup> March, 2022		
	from Continuing Operations	from Discontinued Operations	Total	from Continuing Operations	from Discontinued Operations	Total
Rent Received	-	-	-	-	0.60	0.60
Dividend Received	-	-	-	-	-	-
<b>Net Cash flow from Investing Activities</b>	<b>(3,333.42)</b>	<b>981.04</b>	<b>(2,352.38)</b>	<b>(416.50)</b>	<b>3,236.00</b>	<b>2,819.50</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>						
(Decrease) / Increase in Short Term Borrowings from Banks	595.65	-	595.65	(511.11)	(1,256.30)	(1,767.41)
Increase /(Decrease) in Long Term Borrowings	-	-	-	(85.00)	-	(85.00)
Finance Cost	(42.94)	-	(42.94)	(43.15)	(110.53)	(153.68)
Dividend Paid	(90.06)	-	(90.06)	(90.06)	-	(90.06)
Inter-division transfer	1,425.00	(1,425.00)	-	1,615.96	(1,615.96)	-
<b>Net Cash flow from Financing Activities</b>	<b>1,887.65</b>	<b>(1,425.00)</b>	<b>462.65</b>	<b>886.64</b>	<b>(2,982.79)</b>	<b>(2,096.15)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(1,241.83)</b>	<b>(33.45)</b>	<b>(1,275.28)</b>	<b>1,334.66</b>	<b>49.19</b>	<b>1,383.85</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>1,396.34</b>	<b>50.15</b>	<b>1,446.49</b>	<b>61.68</b>	<b>0.96</b>	<b>62.64</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>154.51</b>	<b>16.70</b>	<b>171.21</b>	<b>1,396.34</b>	<b>50.15</b>	<b>1,446.49</b>

### Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in IND AS -7 "Statement of Cash Flows" referred to in the Companies (Accounts) Rules, 2016.
- Cash flow from operating activities for the year ended March 31, 2023 is after considering CSR expenditure of ₹ Nil (previous year ₹ Nil Lakh) -Refer note no. 45
- Effective April 1, 2017, the Company adopted the amendment to IND AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities, to meet the disclosure requirement, the effect of which is given below :

Particulars	As at 1 <sup>st</sup> April 2022	Cash Flows	Non-cash adjustments		As at 31 <sup>st</sup> March 2023
			EIR effect	Current/ Non-current classification	
Borrowings -Non-Current	-	-	-	-	-
Borrowings -Current	<b>87.54</b>	<b>595.65</b>	-	-	<b>683.19</b>
Other financial Liabilities	-	-	-	-	-

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

As per our Report annexed of even date

For **JAIN & CO.**

Chartered Accountants

Firm Registration No. 302023E

Sd/-

**CA M. K. JAIN**

Partner

Membership No. 055048

Kolkata

Sd/-

**A. KANORIA**

Chairman & Managing Director

(DIN:00027290)

Sd/-

**ATUL DOSHI**

Chief Financial Officer

Sd/-

**SUNITA SHAH**

Company Secretary

Dated - The 25th Day of May, 2023

**Statement of Change in Equity** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

**a Equity Share Capital**

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at end of the current reporting period
Current reporting Period *	901.07	-	-	-	901.07
Previous reporting Period *	901.07	-	-	-	901.07

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

**b Other Equity**

PARTICULARS	Reserve and Surplus					Other Comprehensive Income			Total
	Share Application money pending allotment	Equity component of compound financial instruments	General Reserve	Securities Premium	Retained Earnings	Equity Instrument through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Money received against share warrants	
Balance as at 1st April, 2022	-	-	3,026.89	301.60	7,367.01	-	(93.87)	-	10,601.63
Changes in account policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April, 2022	-	-	-	-	-	-	-	-	10,601.63
Profit/ (Loss) for the Year -Continued Operations	-	-	-	-	(120.92)	-	-	-	(120.92)
Profit/ (Loss) for the Year -Discontinued Operations	-	-	-	-	143.15	-	-	-	143.15
Remeasurement Gain/(Loss)	-	-	-	-	-	-	(100.62)	-	(100.62)
<b>Total Comprehensive Income</b>	-	-	-	-	<b>22.23</b>	-	<b>(100.62)</b>	-	<b>(78.39)</b>
Final Dividend Paid	-	-	-	-	(90.06)	-	-	-	(90.06)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	-	-	3,026.89	301.60	7,299.18	-	(194.49)	-	10,433.18

PARTICULARS	Reserve and Surplus					Other Comprehensive Income			Total
	Share Application money pending allotment	Equity component of compound financial instruments	General Reserve	Securities Premium	Retained Earnings	Equity Instrument through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	Money received against share warrants	
Balance as at 1st April, 2021	-	-	3,026.89	301.60	5,628.57	-	(160.46)	-	8,796.60
Changes in account policy / prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April, 2021	-	-	-	-	-	-	-	-	8,796.60
Profit/ (Loss) for the Year -Continued Operations	-	-	-	-	994.97	-	-	-	994.97
Profit/ (Loss) for the Year -Discontinued Operations	-	-	-	-	833.53	-	-	-	833.53
Remeasurement Gain/(Loss)	-	-	-	-	-	-	66.59	-	66.59
<b>Total Comprehensive Income</b>	-	-	-	-	<b>1,828.50</b>	-	<b>66.59</b>	-	<b>1,895.09</b>
Final Dividend Paid	-	-	-	-	(90.06)	-	-	-	(90.06)
Transfer to General Reserve	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	-	-	3,026.89	301.60	7,367.01	-	(93.87)	-	10,601.63

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **JAIN & CO.**

Chartered Accountants

Firm Registration No. 302023E

Sd/-

**CA M. K. JAIN**Partner  
Membership No. 055048  
Kolkata

Dated - The 25th Day of May, 2023

Sd/-

**A. KANORIA**Chairman & Managing Director  
(DIN:00027290)

Sd/-

**ATUL DOSHI**

Chief Financial Officer

Sd/-

**SUNITA SHAH**

Company Secretary



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 1. CORPORATE AND GENERAL INFORMATION

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

### 2. BASIS OF ACCOUNTING

#### 2.1. Statement of Compliance

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

These financial statements have been approved for issue by the Board of Directors on 25<sup>th</sup> May 2023.

#### 2.2. Basis of Accounting

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

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

#### 2.3. Functional and Presentation Currency

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

#### 2.4. Use of Estimates and Judgements

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

#### 2.5. Presentation of Financial Statements

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

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

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

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

- Expected to be realized or intended to sale or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

##### A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

### 2.7. Measurement of Fair Values

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

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

## 3. ACCOUNTING POLICIES

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

### 3.1. INVENTORIES

- Raw Materials: At Cost or Net Realizable Value whichever is lower. Cost of harvested tea leaves, produced from own gardens, is measured at fair value less cost to sell at the point of harvest of tea leaves. Cost of other raw materials is measured on weighted average basis.
- Stores and Spare Parts: Stores and Spare Parts are measured at cost or net realizable value (NRV) whichever is lower. All stores at Tea Division are valued on weighted average basis.
- Material in Process: Material in Process is valued at lower of cost on absorption basis and net realizable value.
- Finished Goods: Finished goods produced from agricultural produce are valued at lower of cost and the net realizable value (NRV). Cost is arrived at by adding the cost of conversion to the fair value of agricultural produce. Other finished goods are measured at cost on absorption basis or NRV whichever is lower.
- Land: Land planned for development is converted into stock-in-trade at fair market value (Cost) as at the date of conversion including expenditure relating to development of land. Cost of land held for sale is valued at Cost (which includes development expenditure) or estimated realisable value, whichever is lower. Cost of land and development is charged to statement of profit & loss proportional to the area sold at the time when corresponding revenue is recognized.
- Waste : Waste is valued at estimated realisable value.

### 3.2. CASH AND CASH EQUIVALENTS

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

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





## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 3.3. INCOME TAX

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

#### 3.3.1. Current Tax:

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

#### 3.3.2. Deferred Tax

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

### 3.4. PROPERTY, PLANT AND EQUIPMENT

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

##### 3.4.1.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets. Revenue generated from items produced during testing / trial phase is considered as part of reduction in cost of Property, Plant & Equipment and is not recognised in the statement of profit or loss.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 3.4.1.2. Subsequent Measurement:

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

### 3.4.1.3. Depreciation and Amortization:

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

### 3.4.1.4. Capital Work in Progress

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

### 3.4.2. Bearer Plants

#### 3.4.2.1. Recognition and Measurement:

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

#### 3.4.2.2. Subsequent Measurement:

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

#### 3.4.2.3. Depreciation:

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



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 3.4.2.4. Capital Work in Progress

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

## 3.5. LEASES

### 3.5.1. Company as a lessee

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

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

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

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

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

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

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

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

### 3.5.2. Company as a lessor

#### ➤ Finance Lease

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

#### ➤ Operating Lease

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

## 3.6. REVENUE RECOGNITION

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



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

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

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

### 3.6.1. Sale of Products:

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

### Real Estate

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

### Performance obligations and remaining performance obligations

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

### 3.6.2. Other Income:

- 3.6.2.1.** Export Incentives: Export incentives are accounted for in the year of export.
- 3.6.2.2.** Interest Income: For all debt instruments measured either at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.
- 3.6.2.3.** Insurance and other claims: Insurance and other claims to the extent considered recoverable are accounted for in the year of claim.
- 3.6.2.4.** Other Income: Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

## 3.7. EMPLOYEE BENEFITS

### 3.7.1. Short Term Benefits

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

### 3.7.2. Other Long Term Employee Benefits

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

### 3.7.3. Post Employment Benefits

The Company operates the following post employment schemes:

#### ➤ Defined Contribution Plan

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

#### ➤ Defined Benefit Plans

The liability / asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

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

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

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

### 3.8. GOVERNMENT GRANTS

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

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

### 3.9. FOREIGN CURRENCY TRANSACTIONS

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

### 3.10. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

### 3.11. BUSINESS COMBINATIONS

The Company accounts for common control transaction in accordance with the applicable method prescribed under Ind AS 103 "Business Combinations" for common control transactions and also as per the provisions of the Scheme approved by National Company Law Tribunal, where all the assets and liabilities of the Transferor Company is recorded at the carrying value as on the Appointed Date.

The Company doesn't recognise a contingent asset at the acquisition date rather at confirmation of the receipts/ accrual of the benefit as confirmed by the occurrence or non-occurrence of one or more uncertain future events. However, the contingent liabilities assumed in a business combination is recognised on the acquisition date, if it is a present obligation from past events and as per the provisions of the Scheme approved by National Company Law Tribunal (the "NCLT") and its fair value can be measured reliably, even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 3.12. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.12.1. Financial Assets

##### ➤ Recognition and Initial Measurement:

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

##### ➤ Classification and Subsequent Measurement:

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

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

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

- o Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit & loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

- o Measured at FVTOCI: A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

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

- o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

- o Equity Instruments designated at FVTOCI: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### ➤ **Derecognition:**

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

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

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

### **3.12.2. Financial Liabilities**

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

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

#### ➤ **Subsequent Measurement:**

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

#### ➤ **De-recognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The Company also derecognises a financial liability when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognized in the Statement of Profit and loss.

### **3.12.3. Offsetting financial instruments**

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

### **3.13. Earnings Per Share**

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

### **3.14. Impairment of Non-Financial Assets**

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

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





## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

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

#### 3.15.1. Provisions

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

#### 3.15.2. Contingent Liabilities

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

#### 3.15.3. Contingent Assets

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

#### 3.15.4. Onerous Contract

A provision for onerous contracts is measured at the present value of the expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets used in fulfilling the contract, if any.

### 3.16. Intangible Assets

#### 3.16.1. Recognition and Measurement

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

#### 3.16.2. Subsequent Expenditure

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

#### 3.16.3. Amortization

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

#### 3.16.4. Intangible Assets under Development

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

### 3.17. Biological Assets and Agricultural Produce

#### 3.17.1. Biological Assets

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

The Company recognizes biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell without considering the cash flows for financing the assets or re-establishing the biological assets after harvest. The gain or loss arising from a change in fair value less cost to sell of biological assets is included in Statement of Profit and Loss for the period in which it arises.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 3.17.2. Agricultural Produce

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

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

### 3.18. Operating Segment

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

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

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

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

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

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

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

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

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

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

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

### 3.20. Recent Accounting Development

The amendments to the Schedule III of the Companies Act 2013 are applicable to the Company w.e.f 01st April, 2021. The Company has given effect of the amendments by inclusions of the relevant disclosures by way of additional notes and explanatory notes wherever required.

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

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below :

### Ind AS 1 -Presentation of Financial Statements

Companies are now required to disclose material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

### Ind AS 8- Accounting policies, Change in Accounting Estimates and Errors

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include: a) Selection of a measurement technique (estimation or valuation technique) b) Selecting the inputs to be used when applying the chosen measurement technique. The amendments will help entities to distinguish between accounting policies and accounting estimates.

### Ind AS 12- Income Taxes

Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

The Company has evaluated the effect of the above on the financial statements and the impacts are not material.

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

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

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Right-of-use assets and lease liability**  
The Company has exercised judgement in determining the lease term as the non-cancellable term of the lease, together with the impact of options to extend or terminate the lease if it is reasonably certain to be exercised.  
Where the rate implicit in the lease is not readily available, an incremental borrowing rate is applied. This incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value to the right of-use asset in a similar economic environment. Determination of the incremental borrowing rate requires estimation.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Fair Value of Biological Assets:** The fair value of Biological Assets is determined based on recent transactions entered into with third parties or available market price.

### 5. PROPERTY, PLANT AND EQUIPMENT as at 31<sup>st</sup> March 2023

(Amt in ₹ lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2023										Net Carrying Value
	Gross Carrying Value					Accumulated Depreciation					
	As at 1 <sup>st</sup> April 2022	Additions	Disposals	Other Adjustments	As at 31 <sup>st</sup> March 2023	As at 1 <sup>st</sup> April 2022	For the Year	Deductions	Other Adjustments	As at 31 <sup>st</sup> March 2023	
Freehold Land	2,360.00	-	-	-	2,360.00	-	-	-	-	-	2,360.00
Buildings & Water Supply Installation	1,209.02	-	-	-	1,209.02	173.04	38.68	-	-	211.72	997.30
Plant & Equipments	818.82	286.07	7.92	(1.04)	1,095.93	331.59	66.08	5.05	(0.90)	391.72	704.21
Furniture and Fixtures	347.01	22.78	-	-	369.79	151.23	31.95	-	-	183.18	186.61
Motor Vehicles	252.06	27.64	46.17	-	233.53	120.80	24.32	39.60	-	105.52	128.01
Office Equipments	3.77	1.13	-	(0.25)	4.65	2.09	1.37	-	(0.20)	3.26	1.39
Bearer Plants	523.87	-	-	(4.01)	519.86	49.16	9.17	-	(0.75)	57.58	462.28
Total	5,514.55	337.62	54.09	(5.30)	5,792.78	827.91	171.57	44.65	(1.85)	952.98	4,839.80

Capital Work-in-Progress	2022-23	2021-22
Balance at the beginning of the year	91.15	154.22
Additions during the year	162.55	55.08
Capitalised /Adjusted during the year	28.82	118.15
<b>Balance at the end of the year</b>	<b>224.88</b>	<b>91.15</b>

### Capital Work in Progress ageing Schedule as at 31<sup>st</sup> March 2023

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in Progress	127.46	-	-	-	127.46
Replanting under development	35.09	26.26	25.44	10.63	97.42
<b>Total</b>	<b>162.55</b>	<b>26.26</b>	<b>25.44</b>	<b>10.63</b>	<b>224.88</b>

### PROPERTY, PLANT AND EQUIPMENT as at 31<sup>st</sup> March 2022

Particulars	Year Ended 31st March 2022										
	Gross Carrying Value					Accumulated Depreciation					Net Carrying Value
	As at 1 <sup>st</sup> April 2021	Additions	Disposals	\$ Other Adjustments	As at 31 <sup>st</sup> March 2022	As at 1 <sup>st</sup> April 2021	For the Year	Deductions	\$ Other Adjustments	As at 31 <sup>st</sup> March 2022	
Freehold Land	2,361.41	-	1.41	-	2,360.00	-	-	-	-	-	2,360.00
Buildings & Water Supply Installation	2,873.87	162.60	-	(1,827.45)	1,209.02	510.26	110.13	-	(447.35)	173.04	1,035.98
Plant & Equipments	2,482.48	83.78	137.57	(1,609.87)	818.82	1,540.75	141.91	88.57	(1,262.50)	331.59	487.23
Furniture and Fixtures	392.07	35.79	12.32	(68.53)	347.01	173.48	40.25	10.40	(52.10)	151.23	195.78
Motor Vehicles	232.13	89.81	40.01	(29.87)	252.06	145.73	29.60	25.61	(28.92)	120.80	131.26
Office Equipments	6.38	0.38	1.88	(1.11)	3.77	3.41	0.82	1.34	(0.80)	2.09	1.68
Bearer Plants	413.10	110.77	-	-	523.87	39.87	9.29	-	-	49.16	474.71
Total	8,761.44	483.13	193.19	(3,536.83)	5,514.55	2,413.50	332.00	125.92	(1,791.67)	827.91	4,686.64



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### Capital Work in Progress ageing Schedule as at 31<sup>st</sup> March 2022

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in Progress	28.82	-	-	-	28.82
Replanting under development	26.26	25.44	10.63	-	62.33
<b>Total</b>	<b>55.08</b>	<b>25.44</b>	<b>10.63</b>	<b>-</b>	<b>91.15</b>

#### Notes:

5.1 Refer note no. 43 for information on property, plant and equipment pledged as securities by the Company.

5.2 Refer note no. 42.1 for disclosure of contractual commitments for the acquisition of Property, Plant & Equipment.

§ The Board of Directors of the Company had announced the decision of closure of the Textile Division (Fabrics Segment) of the Company situated at Asarwa Mills, Ahmedabad w.e.f. 10th March, 2022 and after obtaining subsequent approvals from the shareholders the results of the Textile Division has been shown as “Discontinued Operation” in terms of “IND AS 105 - Non-Current Assets Held for Sale and Discontinued Operations” in the financial statements.

Accordingly “Other Adjustments” denotes the Gross Block of Property Plants and Equipments of ₹ 3536.83 lakhs, Accumulated depreciation thereon of ₹ 1791.67 lakhs in respect of Assets pertaining to Disposal Group. Net Written Down value of ₹ 1745.16 lakhs of Property, Plants and Equipments, and after adjustment for impairment of ₹ 1101.91 lakhs, has been disclosed at note no. 40.2.

5.3 During the year(s) under reporting, the Company has not carried out any revaluation of its Property, Plants and Equipment.

5.4 There is no capital work-in-progress whose completion is overdue or has exceeded its cost as compared to its original plan.

### 6 INTANGIBLE ASSETS as at 31<sup>st</sup> March 2023

(Amt in ₹ lakhs)

Particulars	As at 31 <sup>st</sup> March 2023										
	Gross Carrying Value					Accumulated Amortization					Net Carrying Amount
	As at 1 <sup>st</sup> April 2022	Additions	Disposals	\$ Other Adjustments	As at 31 <sup>st</sup> March 2023	As at 1 <sup>st</sup> April 2022	For the year	Deductions	\$ Other Adjustments	As at 31 <sup>st</sup> March 2023	
Computer Software	17.16	-	-	-	17.16	7.65	2.90	-	-	10.55	6.61
<b>Total</b>	<b>17.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.16</b>	<b>7.65</b>	<b>2.90</b>	<b>-</b>	<b>-</b>	<b>10.55</b>	<b>6.61</b>

Intangible Assets under Development	2022-23	2021-22
Balance at the beginning of the year	-	11.31
Additions during the year	-	5.00
Capitalised /Adjusted during the year	-	16.31
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

Intangible Assets under Development (IAUD)	Amount in IAUD for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in Progress					
Software Implementation	-	-	-	-	-

### INTANGIBLE ASSETS as at 31<sup>st</sup> March 2022

Particulars	As at 31 <sup>st</sup> March 2022										Net Carrying Amount
	Gross Carrying Value					Accumulated Amortization					
	As at 1 <sup>st</sup> April 2021	Additions	Disposals	\$ Other Adjustments	As at 31 <sup>st</sup> March 2022	As at 1 <sup>st</sup> April 2021	For the year	Deductions	\$ Other Adjustments	As at 31 <sup>st</sup> March 2022	
Computer Software	35.08	15.93	7.18	(26.67)	17.16	17.45	6.39	3.51	(12.68)	7.65	9.51
Total	35.08	15.93	7.18	(26.67)	17.16	17.45	6.39	3.51	(12.68)	7.65	9.51



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

Intangible Assets under Development (IAUD)	Amount in IAUD for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
<b>Projects in Progress</b>					
Software Implementation	-	-	-	-	-

### Notes:

6.1 During the year(s) under reporting, the Company has not carried out any revaluation of Intangible assets.

6.2 \$ The Board of Directors of the Company had announced the decision of closure of the Textile Division (Fabrics Segment) of the Company situated at Asarwa Mills, Ahmedabad w.e.f. 10th March, 2022 after obtaining requisite approvals from the shareholders. Accordingly, the results of the Textile Division has been shown as "Discontinued Operation" in terms of "IND AS 105 - Non-Current Assets Held for Sale and Discontinued Operations" in the financial statements.

Accordingly "Other Adjustments" denotes the Gross Block of Intangible Assets of ₹ 26.67 lakhs, accumulated depreciation thereon of ₹ 12.68 lakhs in respect of Assets pertaining to Disposal Group. Net Written Down value of ₹ 13.99 lakhs of Intangible Assets, and after adjustment for impairment of ₹ 13.99 lakhs, has been disclosed at note no. 40.2.

6.3 There is no Intangible Assets under development whose completion is overdue or has exceeded its cost as compared to its original plan.

## 7. OTHER FINANCIAL ASSETS

	Refer Note No.	Non-current		Current	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Security & Other Deposits		33.07	33.24	-	-
Deposit with NABARD		-	-	20.63	26.68
Interest Accrued on Deposits		-	-	1.60	7.16
Others		-	-	42.56	32.76
<b>Total</b>		<b>33.07</b>	<b>33.24</b>	<b>64.79</b>	<b>66.60</b>

7.1 Refer note No. 43 for information on Other Financial Assets pledged as securities by the Company

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

	Refer Note No.	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
		Continued Operations	Discontinued Operations	Continued Operations	Discontinued Operations
<b>Deferred Tax Liabilities</b>					
<i>Arising on account of :</i>					
Property, Plant & Equipment		(513.69)	-	(310.10)	(41.74)
Financial Assets at Fair Value through Profit & Loss Account		(34.40)	-	(9.18)	-
Others		-	-	-	-
<b>Subtotal(a)</b>		<b>(548.09)</b>	<b>-</b>	<b>(319.28)</b>	<b>(41.74)</b>
<b>Less: Deferred Tax Assets</b>					
<i>Arising on account of :</i>					
Section 43B of Income-tax Act		9.84	21.14	18.67	29.66
Unabsorbed Losses / Depreciation	8.1	303.92	-	471.22	60.15
Others		5.17	-	5.17	-
MAT Credit Entitlements		981.87	-	805.81	-
<b>Subtotal(b)</b>		<b>1,300.80</b>	<b>21.14</b>	<b>1,300.87</b>	<b>89.81</b>
<b>Total (a - b)</b>		<b>752.71</b>	<b>21.14</b>	<b>981.59</b>	<b>48.07</b>

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



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

### 8.2 Movement in deferred tax assets and liabilities during the year ended 31st March, 2023 and 31st March, 2022

	As at 1 <sup>st</sup> April, 2022	Recognized in Statement of Profit and Loss		Recognized in Other Comprehensive Income	As at 31 <sup>st</sup> March, 2023
		Continued	Discontinued		
<b>Deferred Tax Liabilities</b>					
Property, Plant & Equipment	(351.84)	(203.59)	41.74	-	(513.69)
Financial Assets at Fair Value through Profit & Loss Account	(9.18)	(25.22)	-	-	(34.40)
Others	-	-	-	-	-
<b>Total</b>	<b>(361.02)</b>	<b>(228.81)</b>	<b>41.74</b>	<b>-</b>	<b>(548.09)</b>
<b>Deferred Tax Assets</b>					
Section 43B of Income-tax Act	48.33	(8.83)	(8.52)	-	30.98
Unabsorbed Depreciation / Business Losses	531.37	(167.29)	(60.16)	-	303.92
Others	5.17	-	-	-	5.17
MAT Credit Entitlements	805.81	176.06	-	-	981.87
<b>Total</b>	<b>1,390.68</b>	<b>(0.06)</b>	<b>(68.68)</b>	<b>-</b>	<b>1,321.94</b>

	As at 1 <sup>st</sup> April, 2021	Recognized in Statement of Profit and Loss		Recognized in Other Comprehensive Income	As at 31 <sup>st</sup> March, 2022
		Continued	Discontinued		
<b>Deferred Tax Liabilities</b>					
Property, Plant & Equipment	(646.81)	2.42	292.55	-	(351.84)
Financial Assets at Fair Value through Profit & Loss Account	(4.03)	(5.15)	-	-	(9.18)
Others	(10.51)	10.51	-	-	-
<b>Total</b>	<b>(661.35)</b>	<b>7.78</b>	<b>292.55</b>	<b>-</b>	<b>(361.02)</b>
<b>Deferred Tax Assets</b>					
Section 43B of Income-tax Act	27.90	2.89	17.54	-	48.33
Unabsorbed Depreciation / Business Losses	507.31	359.16	(335.09)	-	531.37
Others	5.03	0.14	-	-	5.17
MAT Credit Entitlements	807.21	(1.40)	-	-	805.81
<b>Total</b>	<b>1,347.45</b>	<b>360.79</b>	<b>(317.55)</b>	<b>-</b>	<b>1,390.68</b>

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

### 9. OTHER ASSETS

	Refer Note No.	Non-current		Current	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Capital Advances		15.67	2.65	-	-
<b>Advances other than Capital Advances</b>					
Advance against supply of Goods & Services		-	-	16.57	22.85
Prepaid Expenses		6.92	9.89	18.90	9.10
Balances with Government & Statutory Authorities		-	-	138.58	87.98
Export Incentive Receivable		-	-	-	4.42





## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

	Refer Note No.	Non-current		Current	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Other Receivables		-	-	5.50	15.51
<b>Total</b>		<b>22.59</b>	<b>12.54</b>	<b>179.55</b>	<b>139.86</b>

9.1 Refer note No. 43 for information on Other Assets pledged as securities by the Company.

### 10. INVENTORIES

(As valued and certified by the Management)

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Raw Materials	10.3	7.64	19.89
Finished Goods	10.3	162.83	187.16
Stock-in-Trade (In respect of goods acquired for trading)	10.3	-	-
Land Held as Stock-in-trade	3.1 & 10.4	1,621.00	2,031.54
Stores and Spares etc.	10.1 & 10.3	324.10	262.48
<b>Total</b>		<b>2,115.57</b>	<b>2,501.07</b>

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

Stores and Spares etc.		1.86	-
		1.86	-

10.2 Refer note no. 43 for information on inventories pledged as securities by the Company.

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

10.4 Consequent to the approval of transfer of "Dholka Property" by the Board of Directors, the value of Land held as Stock-in-trade of the "Real Estate Division" has been recognised at Net Realizable Value (NRV) of ₹ 1621 lakhs and accordingly there is a change in the value of inventory of ₹ 410.54 lakhs.

### 11. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Fair Value of Biological Assets Other than Bearer Plants	11.1	14.34	39.25
		<b>14.34</b>	<b>39.25</b>

11.1 Unharvested Tea leaves on bushes as on 31<sup>st</sup> March 2023 was 40,114 kgs (31<sup>st</sup> March 2022 - 1,10,320 kgs)

11.2 Refer note No. 43 for information on Biological Assets other than Bearer Plants pledged as securities by the Company.

### 12. NON-CURRENT INVESTMENTS

12.1 Investment in Bonds / Debentures -Quoted	Face Value (in ₹)	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
		Qty (Units)	Amount	Qty (Units)	Amount
State Bank of India Unsecured Rated Listed AT-1 Non Convertible Debenture Bonds -Perpetual Series -1-7.72%	1,00,00,000/-	2.00	216.32	1.00	100.00
HDFC Unsecured Rated Listed AT-1 Non Convertible Debentures Bonds -Perpetual Series I-7.84%	1,00,00,000/-	1.00	106.55	-	-
State Bank of India Unsecured Rated Listed AT-1 Non Convertible Debentures Bonds -Perpetual Series I-7.75%	1,00,00,000/-	1.00	105.79	-	-



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

12.1 Investment in Bonds / Debentures -Quoted	Face Value (in ₹)	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
		Qty (Units)	Amount	Qty (Units)	Amount
State Bank of India Unsecured Rated Listed AT-1 Non Convertible Debentures Bonds -Perpetual Series II-7.73%	10,00,000/-	10.00	103.09	-	-
State Bank of India Unsecured Rated Listed AT-1 Non Convertible Debentures Bonds -Perpetual Series III-7.55%	1,00,00,000/-	5.00	510.33	-	-
State Bank of India Unsecured Rated Listed AT-1 Non Convertible Debentures Bond-Perpetual Series II-7.72%	1,00,00,000/-	1.00	107.21	-	-
Zuari Agro Chemicals Limited -Secured Non Convertible Debentures -11.50%	10,00,000/-	20.00	202.72	-	-
<b>Total</b>			<b>1,352.01</b>		<b>100.00</b>
<b>Aggregate amount and Market Value of Quoted Investments</b>			<b>1,363.90</b>		<b>100.00</b>

### 12.2 CURRENT INVESTMENTS

	Face Value (in ₹)	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
		Qty (Units)	Amount	Qty (Units)	Amount
INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS					
a. Investments in Mutual funds -Unquoted					
Aditya Birla Sunlife Savings Fund -Growth -Direct Plan	100/-	-	-	80,018.5980	356.33
Aditya Birla Sunlife Low Duration Fund -Growth -Direct Plan	100/-	-	-	54,767.0670	316.75
Aditya Birla Sunlife Liquid Fund -Growth -Direct Plan	100/-	-	-	2,599.0600	8.92
Axis Liquid Fund -Direct Growth (CFDGG)	1000/-	14,103.5450	352.71	-	-
BANDHAN (formerly IDFC) CRISIL Gilt 2027 Index Fund Regular Plan-Growth	10/-	18,88,148.2070	205.16	-	-
HDFC Flexicap Fund -Regular Plan-Growth	100/-	7,893.9340	88.53	5,370.5080	54.31
ICICI Prudential Constant Maturity GILT-Growth	10/-	23,92,659.9170	100.01	-	-
IIFL Dynamic Bond Fund -Regular Plan-Growth	10/-	8,08,790.4520	150.33	-	-
Kotak Liquid Fund Direct Plan Growth	1000/-	11,599.3000	527.58	-	-
Kotak Equity Arbitrage Fund -Direct Plan -Growth	10/-	3,15,169.2230	105.73	-	-
Nippon India Low Duration Fund -Direct Growth Plan -Growth Option -LPAGG	1,000/-	-	-	187.6270	9.77
Nippon India Arbitrage Fund -Direct Growth Plan -Growth Option -AFAGG	10/-	4,37,272.3350	105.55	-	-
Nippon India Index Fund -Nifty 50 Plan - Direct Growth Plan -Growth Option (NFAGG)	10/-	34,983.1670	10.83	-	-
Total			1,646.43		746.08



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

	Face Value (in ₹)	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
		Qty (Units)	Amount	Qty (Units)	Amount
<b>b. Investments in Alternate Investment Funds /ETFs/NCD -Quoted</b>				-	-
ARKA Fincap Limited -Srs IV- BR	1000000/-	10	101.87	-	-
Alchemy Leaders of Tomorrow -Closed Ended Fund, Series 2	100/-	99,328.1113	88.43	-	-
Bharat Bond ETF -Fund of Funds -April 2033 Regular Plan Growth	10/-	19,85,189.7490	202.09	-	-
BPEA Credit India Fund III -Scheme F	100/-	17,000	17.16	-	-
INCRED Financial Services Limited -Srs II - Non Convertible Debentures	1000000/-	10	112.75	-	-
Nippon India ETF Liquidbees	1000/-	5.0910	0.05	5,037.3560	50.37
Powergrid Infrastructure Investment Trust Fund Srs IV	100/-	1,47,771	181.05	78,200	105.09
Shriram Housing Finance Ltd Gsec Linked Listed Principal Protected Market Linked Non Convertible Debentures	1000000/-	20	200.13		
Tata Cleantech Capital Limited Srs C, BR Non Convertible Debentures	1000000/-	20	201.25		
<b>Total</b>			<b>1,104.78</b>		<b>155.46</b>
<b>Grand Total</b>			<b>2,751.21</b>		<b>901.54</b>
<b>Aggregate amount of Unquoted Investments</b>			1,646.43		746.08
<b>Aggregate amount and Market Value of Quoted Investments</b>			1,104.78		155.46

### 13. TRADE RECEIVABLES

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade Receivables considered good -Secured	13.1 , 13.2 , 13.3 13.4 & 13.5	-	-
Trade Receivables considered good -Unsecured		36.70	5.90
<b>Total</b>		<b>36.70</b>	<b>5.90</b>
<b>Break Up of Security Details</b>			
Secured, considered good		-	-
Unsecured, considered good		36.70	5.90
Doubtful		-	-
<b>Sub -Total</b>		<b>36.70</b>	<b>5.90</b>
Less: Allowance for doubtful receivables		-	-
<b>Total</b>		<b>36.70</b>	<b>5.90</b>

#### 13.1 As at 31<sup>st</sup> March 2023

Ageing schedule	Outstanding from the due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 Years	
(i) Trade Receivable -considered good	35.82	-	-	-	0.88	<b>36.70</b>
(ii) Trade Receivables with significant increase in credit risk	-	-	-	-	-	-
(iii) Trade Receivables -credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable -considered good	-	-	-	-	-	-

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

Ageing schedule	Outstanding from the due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 Years	
(v) Disputed Trade Receivables with significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables -credit impaired	-	-	-	-	-	-
<b>Carrying amount of trade receivables</b>	<b>35.82</b>	-	-	-	<b>0.88</b>	<b>36.70</b>

**13.2 As at 31st March 2022**

Ageing schedule	Outstanding from the due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	> 3 Years	
(i) Trade Receivable - considered good	5.02	-	-	-	0.88	5.90
(ii) Trade Receivables with significant increase in credit risk	-	-	-	-	-	-
(iii) Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables with significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Carrying amount of trade receivables</b>	<b>5.02</b>	-	-	-	<b>0.88</b>	<b>5.90</b>

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

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

**13.5** Refer note No. 43 for information on Trade Receivables pledged as securities by the Company.

**14. CASH AND CASH EQUIVALENTS**

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Balances With Banks :</b>	<b>14.1</b>		
In Current/Cash Credit Account		148.23	1,389.46
Cash in Hand		6.28	6.88
<b>Total</b>		<b>154.51</b>	<b>1,396.34</b>

**14.1** Refer note No. 43 for information on Cash and Cash Equivalents pledged as securities by the Company.

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

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Unpaid Dividend Account *	6.10	5.86
<b>Total</b>	<b>6.10</b>	<b>5.86</b>

\* Not available for use by the Company

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

**15.2** Refer note No. 43 for information on Other Bank Balances pledged as securities by the Company.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

### 16. LOANS

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Advance to Employees</b>	<b>16.1</b>		
Loans Receivables considered good -Secured		-	-
Loans Receivables considered good -Unsecured		6.57	8.27
<b>Advances recoverable in cash or in Kind or for value to be received</b>			
Advance against supply of Goods & Services		-	0.17
Less: Allowance for doubtful receivables		-	-
<b>Total</b>		<b>6.57</b>	<b>8.44</b>

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

**16.2.** Refer note No. 43 for information on Loans pledged as securities by the Company.

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

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Advance Income Tax & Tax Deducted at Source	131.82	199.33
Less : Provision for Income Tax	-	338.65
<b>Total</b>	<b>131.82</b>	<b>(139.32)</b>

### 18. SHARE CAPITAL

	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>18.1 Authorised Share Capital</b>				
Ordinary Equity Shares of ₹10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Redeemable Preference Shares of ₹ 100/- each	5,00,000	500.00	5,00,000	500.00
<b>Total</b>		<b>2,000.00</b>		<b>2,000.00</b>
<b>18.2 Issued, Subscribed and Paid-up Share Capital *</b>				
Ordinary Equity Shares of ₹10/- each fully paid-up	90,05,985	901.07	90,05,985	901.07
<b>Total</b>	<b>90,05,985</b>	<b>901.07</b>	<b>90,05,985</b>	<b>901.07</b>

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

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

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

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

The Company has only one class of Ordinary Equity shares having a face value of ₹ 10 per share and each holder of Ordinary Equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend, as and when proposed by the Board of Directors (except interim dividend), subject to the approval of the shareholders in the Annual General Meeting, is paid to the shareholders. The claim of Ordinary Equity Shareholders on earnings and on assets in the event of liquidation, follows all others, in proportion to their shareholding.

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

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

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

**18.6 Details of Shareholding of Promoters and Ordinary Equity Shareholders holding 5% or more shares in the Company**

Ordinary Equity Shares of ₹ 10/- each fully paid	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
	No. of Shares	% of total shares	No. of Shares	% of total shares
<b>PROMOTER(S)</b>				
M/s Rydak Enterprises & Investment Limited	50,60,870	56.19%	50,60,870	56.19%
Mr. Adarsh Kanoria	5,36,137	5.95%	5,36,137	5.95%
Mrs. Shubha Kanoria	4,49,216	4.99%	4,49,216	4.99%
Mr. Kushagra Kanoria	2,92,489	3.25%	2,92,489	3.25%
Mr. Adarsh Kanoria A/c Varenia Kanoria (Minor)	2,70,000	3.00%	2,70,000	3.00%
<b>ORDINARY EQUITY SHAREHOLDER(S)</b>				
	N.A.	N.A.	N.A.	N.A.

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

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

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

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

**18.11** There is no change in the shareholding of the promoters during the year.

**18.12 (a)** The Board of Directors in its meeting held on 14<sup>th</sup> May, 2022 has recommended dividend of 10% (₹ 1 per equity share of ₹ 10 each) for the year ended 31<sup>st</sup> March, 2022 and the same was approved by the shareholders at the Annual General Meeting held on 05<sup>th</sup> August 2022, which resulted in a cash outflow of ₹ 90.06 lakhs.

(b) The Board of Directors in its meeting held on 25<sup>th</sup> May, 2023 has recommended dividend of 10% (₹ 1 per equity share of ₹ 10 each) for the year ended 31<sup>st</sup> March, 2023 subject to approval of shareholders at the ensuing Annual General Meeting.

**19. OTHER EQUITY \***

	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
General Reserve	3,026.89	3,026.89
Securities Premium	301.60	301.60
Retained Earnings	7,104.69	7,273.14
<b>Total</b>	<b>10,433.18</b>	<b>10,601.63</b>

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

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

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



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

### 20. BORROWINGS

	Refer Note No.	Non-Current		Current	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Term Loans</b>	<b>20.1</b>				
<b>From Banks:</b>					
Working Capital Term Loans		-	-	-	87.54
Amount disclosed under Note no.23 "Short Term Borrowings"		-	-	-	(87.54)
<b>Total</b>		-	-	-	-
<b>Break Up of Security Details</b>					
Secured		-	-	-	87.54
Unsecured		-	-	-	-
<b>Total</b>		-	-	-	87.54

#### 20.1 Details of Security Given for Loan

- Working Capital Term Loans (GECL) in current year ₹ Nil (P.Y. of ₹ Nil) were primarily secured by 2nd pari-passu charge over entire Current Assets of Textile Division at Asarwa Mills both present and future with 2nd pari-passu charge over entire fixed assets, both present and future, of Textile Division as collateral security. However entire GECL has been repaid during the previous financial year. ;
- Working Capital Term Loans (GECL) of ₹ 102 lakhs were primarily secured by 2nd pari-passu charge over entire Current Assets of Tea Division and both present and future Cash Flows ranking pari-passu with entire fixed assets of the Tea Division of the Company, both present as well as future. Entire amount was repaid during the financial year ended 31st March 2023.

**20.2** Refer note no. 43 for information on the carrying amounts of financial and non-financial assets pledged as security for current & non-current borrowings.

### 21. PROVISIONS - NON CURRENT

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Provision for Employee Benefits	21.1	24.16	45.13
		<b>24.16</b>	<b>45.13</b>

**21.1** All Provisions are valued at their present value of money.

### 22. OTHER LIABILITIES - NON CURRENT

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Deferred Revenue Income	22.1	15.29	17.77
		15.29	17.77

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>22.1 Opening Balance</b>		20.87	23.06
Grants received during the year		-	2.00
Less: Released to profit or loss		3.10	4.19
		<b>17.77</b>	<b>20.87</b>
Less: Current Portion of the Deferred Revenue Income	26	2.48	3.10
<b>Total</b>		<b>15.29</b>	<b>17.77</b>

### 23. SHORT TERM BORROWINGS

	Refer Note no.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>- SECURED</b>			
Working Capital Loan from Banks repayable on demand	23.1 & 23.3	683.19	-
Current maturities of Long term borrowings	20	-	87.54
<b>Total</b>		<b>683.19</b>	<b>87.54</b>



**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

**23.1 Terms and conditions of Short Term Borrowings**

a Working Capital Loans from banks were secured by:

- i) hypothecation of green tea leaves, before and after plucking, tea in process, finished tea in stock/in-transit and /or lying with brokers/ agents, book debts (present and future), first charge over all current assets of the Tea Division (both present and future) and equitable mortgage of immovable properties and machineries of Tea Estates as additional security.

b The Working Capital Facilities having interest rate varying between 7.50%- 10.00% p.a. are repayable on demand.

c All Loans are guaranteed by the Managing Director.

**23.2** Refer note no. 43 for information on the carrying amounts of financial and non-financial assets pledged as security for current & non-current borrowings.

**23.3** The difference between the value of Stock and Debtors as per books of accounts and as per statement submitted with lenders are given below :

A. Quarter Ending	Value as per		Variance	Reasons for Variances
	Books	Quarterly Statement		
<b>Punjab National Bank</b>				During the year there were no major variances till December 2022. from January 2023 onwards , Company is required to submit only quantitative details without any value ascertained. Hence not applicable.
June 30, 2022	904.04	905.10	(1.06)	
September 30, 2022	1,200.73	1,200.73	-	
December 31, 2022	545.88	545.88	-	
<b>March 31, 2023</b>	N.A.	N.A.	-	

B. Quarter Ending	Value as per		Variance	Reasons for Variances
	Books	Quarterly Statement		
<b>Punjab National Bank</b>				The variances are mainly on account of valuation basis considered in the Stock Statement and Books of Accounts.
June 30, 2021	1,035.33	1,152.36	(117.03)	
September 30, 2021	1,288.19	1,343.13	(54.94)	
December 31, 2021	635.90	639.78	(3.88)	
<b>March 31, 2022</b>	454.16	587.86	(133.70)	

**24. TRADE PAYABLES**

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Total outstanding dues of micro enterprises and small enterprises</b>	<b>24.1 &amp; 24.2</b>		
For Goods		11.15	6.45
For Services & Others		0.59	-
<b>Total outstanding dues of creditors other than micro enterprises and small enterprises :</b>			
For Goods		157.88	156.83
For Services & Others		20.90	11.73
<b>Total</b>		<b>190.52</b>	<b>175.01</b>

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



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

Sl. No.	Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
i.a	The principal amount remaining unpaid to any supplier at the end of the accounting year.	11.74	6.45
i.b	The interest due remaining unpaid to any supplier at the end of the accounting year.	-	-
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

### 24.2.a. Trade Payables Ageing Schedule as at 31<sup>st</sup> March 2023

Particulars	Outstanding for following periods from due date of payment					
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
<b>Trade payables</b>						
(i) MSME	11.74	-	-	-	-	11.74
(ii) Others	8.80	166.21	1.97	-	1.80	178.78
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>20.54</b>	<b>166.21</b>	<b>1.97</b>	<b>-</b>	<b>1.80</b>	<b>190.52</b>

### b. Trade Payables Ageing Schedule as at 31<sup>st</sup> March 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
<b>Trade payables</b>						
(i) MSME	-	6.45	-	-	-	6.45
(ii) Others	3.47	158.58	0.96	-	5.55	168.56
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>3.47</b>	<b>165.03</b>	<b>0.96</b>	<b>-</b>	<b>5.55</b>	<b>175.01</b>

## 25. OTHER FINANCIAL LIABILITIES

	Refer Note No.	Non-Current		Current	
		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Interest accrued but not due on Borrowings		-	-	-	0.56
Unpaid and Unclaimed dividends	25.1	-	-	6.10	5.86
Employees related Liabilities		-	-	48.65	15.52
Other Payables		-	-	0.18	0.48
<b>Total</b>		<b>-</b>	<b>-</b>	<b>54.93</b>	<b>22.42</b>

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

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

**26. OTHER LIABILITIES -CURRENT**

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Deferred Revenue Income	22.1	2.48	3.10
Advances Received from Customers		0.60	0.04
Statutory Dues		46.45	39.13
Bonus Payable		214.49	208.15
Others		8.57	25.79
<b>Total</b>		<b>272.59</b>	<b>276.21</b>

**PROVISIONS -CURRENT**

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Provision for Employee Benefits	27.1	112.03	4.21
Provision for CSR Expenses		-	-
<b>Total</b>		<b>112.03</b>	<b>4.21</b>

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

**28 REVENUE FROM OPERATIONS**

	Refer Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Sale of Products</b>	28.4		
Tea		4,952.28	5,512.12
	Sub-total -(a)	4,952.28	5,512.12
<b>Other Operating Revenues</b>			
Incentives & Subsidies		-	1.08
	Sub-total -(b)	-	1.08
	<b>Total (a+b)</b>	<b>4,952.28</b>	<b>5,513.20</b>

**28.1 REVENUE FROM CONTRACTS WITH CUSTOMERS**

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>A. Revenue from contracts with customers disaggregated based on nature of product or services</b>		
<b>Revenue from sale of products</b>		
Tea & allied products	4,952.28	5,512.12
<b>Other Operating Revenues</b>		
Incentives & Subsidies	-	1.08
<b>Total</b>	<b>4,952.28</b>	<b>5,513.20</b>
<b>B. Revenue from contracts with customers disaggregated based on geography</b>		
India	4,952.28	5,455.11
Outside India	-	58.09
<b>Total</b>	<b>4,952.28</b>	<b>5,513.20</b>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

### 28.2 RECONCILIATION OF GROSS REVENUE WITH THE REVENUE FROM CONTRACTS WITH CUSTOMERS

	Refer Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Gross revenue		4,952.64	5,513.20
Less: Discounts		(0.36)	-
<b>Net Revenue recognised from Contracts with Customers</b>		<b>4,952.28</b>	<b>5,513.20</b>

### 28.3 Sales Channel

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Direct to Customers	1,186.52	580.72
Sales through intermediaries	3,765.76	4,931.40
<b>Total</b>	<b>4,952.28</b>	<b>5,512.12</b>

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

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

### 29. OTHER INCOME

	Refer Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Interest Income</b>			
On Other Deposits, etc		95.54	6.06
Dividend Received		2.86	0.03
Profit on Sale of Tea Seeds		50.74	15.85
Net Gain on sale of Investments measured at Fair Value through P/L		40.60	25.34
Net Gain on restatement of Investments (Mark to Market) measured at Fair Value through P/L		55.98	23.77
<b>Other Non Operating Income</b>			
Profit on sale/discard of Property, Plant & Equipments (Net)		19.77	5.72
Excess Provision/ Liabilities written back		0.35	8.40
Change in Fair Valuation of Biological Assets		(24.92)	19.94
Foreign Exchange Fluctuation (Net)		-	1.86
Insurance and Other Claims (Net)		0.94	7.27
Other Miscellaneous Income	<b>29</b>	33.70	22.48
<b>Total</b>		<b>275.56</b>	<b>136.72</b>

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

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

**30. COST OF MATERIALS CONSUMED**

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Opening Stock	19.88	8.54
Add: Purchases	1,191.33	1,437.46
Less: Closing Stock	7.64	19.88
<b>Total</b>	<b>1,203.57</b>	<b>1,426.12</b>

**31. PURCHASE OF TRADED GOODS**

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Tea	-	33.38
<b>Total</b>	<b>-</b>	<b>33.38</b>

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

	Refer Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Finished Goods</b>			
Opening Inventories		187.16	148.10
Closing Inventories		162.83	187.16
		<b>24.33</b>	<b>(39.06)</b>
<b>Land held as Stock in Trade (Real Estate Division)</b>			
Opening Inventories	10.4	2,031.54	2,031.54
Closing Inventories		1,621.00	2,031.54
		<b>410.54</b>	<b>-</b>
<b>Stock-in-Trade</b>			
Opening Inventories		-	0.08
Closing Inventories		-	-
		<b>-</b>	<b>0.08</b>
<b>Total changes in inventories</b>		<b>434.87</b>	<b>(38.98)</b>

**33. EMPLOYEE BENEFITS EXPENSE**

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Salaries & Wages	1,675.18	1,596.68
Contribution to Provident and Other Funds	250.01	250.22
Staff Welfare Expenses	82.39	83.70
	<b>2,007.57</b>	<b>1,930.60</b>
Less: Amount Capitalised	23.42	22.00
<b>Total</b>	<b>1,984.15</b>	<b>1,908.60</b>

**34. FINANCE COSTS**

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>Interest Expenses</b>		
To Banks on Term Loans	0.57	7.40



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
To Banks on Working Capital Loans	28.78	32.81
To Others	10.73	0.08
Other Borrowing Costs	2.86	2.86
	<b>42.94</b>	<b>43.15</b>
Less: Amount Capitalised	-	-
<b>Total</b>	<b>42.94</b>	<b>43.15</b>

### 35. DEPRECIATION & AMORTIZATION EXPENSES

	Refer Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
On Tangible Assets	5 & 40.1	175.02	177.10
On Intangible Assets	6 & 40.1	2.90	2.90
<b>Total</b>		<b>177.92</b>	<b>180.00</b>

### 36. OTHER EXPENSES

	Refer Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Stores, Spare Parts & Packing Materials Consumed		148.20	144.05
Power & Fuel		424.31	379.82
Repairs to Buildings		26.96	47.95
Repairs to Machinery		79.90	38.46
Repairs to Other Assets		5.01	11.86
Freight, Shipping, Delivery Charges & Selling Expenses		92.69	83.20
Commission & Brokerages		38.27	50.07
Auditors' Remuneration	36.1	2.41	1.97
Rent, Rates & Taxes		26.19	24.51
Insurance		18.44	21.74
Foreign Exchange Fluctuation (Net)		0.07	-
Directors' Fees & Commission		6.20	8.80
Legal and Professional Charges		13.88	19.48
Travelling & Conveyance Expenses		72.91	33.78
Corporate Social Responsibility Expenses	45	-	-
Other Expenses		374.05	327.83
		<b>1,329.49</b>	<b>1,193.52</b>
Less: Amount Capitalised		3.09	4.26
<b>Total</b>		<b>1,326.40</b>	<b>1,189.26</b>

#### 36.1 Auditors' Remuneration

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>a</b> Statutory Auditors *		
Audit Fees	1.00	0.85
In other Capacity	1.11	0.87
<b>Sub-total</b>	<b>2.11</b>	<b>1.72</b>

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>b</b> Cost Auditors *		
Audit Fees	0.30	0.25
In other Capacity	-	-
<b>Sub-total</b>	0.30	0.25
<b>Total</b>	<b>2.41</b>	<b>1.97</b>

\* Current year and previous year Branch Auditor's & Branch Cost Auditor's remuneration has been shown under disclosures for discontinued operations. -refer note no. 40.1

**37. Exceptional Items**

Exceptional income of ₹ NIL (P.Y. ₹ 3003.40 Lakhs) pertains to profit on sale of Asarwa House situated at Dr Balwantrai Mehta Marg, Shahibaug, Ahmedabad which was shown on 31st March 2021 as "Held for Sale" at ₹ 73.42 Lakhs as per Board's decision on 8th February 2020 and sale (transfer of Title Deeds and its registration) transaction got completed during the previous financial year.

**38. TAX EXPENSE**

	Refer Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Current Tax		-	281.55
Deferred Tax -Continuing Operations		404.93	(369.96)
Deferred Tax -Discontinued Operations		26.94	25.00
Less : Mat Credit Entitlement		-	-
Income Tax for earlier years		(226.02)	1.82
<b>Total Income Tax Expenses</b>		<b>205.85</b>	<b>(61.59)</b>

**38.1 Reconciliation of tax expense and the accounting profit for the year is as under :**

		For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Income before Income Taxes		228.08	1,766.91
Indian Statutory Income Tax Rate		27.820%	29.120%
Estimated income Tax Expenses	(A)	63.46	514.52
<b>Tax effect of adjustments to reconcile estimated Income tax expense to reported Income Tax Expenses</b>			
Expenses not deductible in determining taxable profit		1.34	0.56
Weighted Deduction on Research & Development expenses		-	-
Adjustment in Tax Payable at different rate		(41.57)	(116.72)
Effect on tax Allowance		(14.16)	(111.51)
Exempt Income		(29.24)	(107.39)
Others		226.02	(241.05)
	(B)	<b>142.39</b>	<b>(576.12)</b>
<b>Income Tax Expenses as per Statement of Profit &amp; Loss</b>	(A-B)	<b>205.85</b>	<b>(61.59)</b>

**38.2** Applicable Indian Statutory Income Tax rate for Fiscal Year 2022-23 is 27.820% ( P.Y. 29.12%) under Income Tax Act 1961 and 30% under the Assam Agricultural Income Tax Act , 1939. However, due to Government of Assam notification no FTX.90/2010/126 dated 18 December, 2020 the Tea division is under Tax Holiday from F.Y. 2020-21 to F.Y. 2022-23, there is no liability under Assam Agricultural Income Tax Act, 1939 and accordingly the Deferred Tax is calculated. Further the Company has created Deferred Tax Asset / Liabilities @27.820% for Income Tax purpose.





## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

### 39. OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to profit or loss	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Changes in revaluation surplus	–	–
Remeasurement of the defined benefit plans	(100.62)	66.59
Less: Tax expense on the above	–	–
<b>Total</b>	<b>(100.62)</b>	<b>66.59</b>

### 40. Discontinued Operations

The Board of Directors of the Company had announced the decision of closure of the Textile Division (Fabrics Segment) of the Company situated at Asarwa Mills, Ahmedabad w.e.f. 10th March, 2022 after obtaining requisite approvals from the shareholders. Accordingly, the results of the Textile Division has been shown as “Discontinued Operation” in terms of “IND AS 105 - Non-Current Assets Held for Sale and Discontinued Operations” in the financial statements.

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

The combined results and status of assets and liabilities of both discontinued operations i.e. Yarn and Fabric (Textile) segments are shown below:

#### 40.1 The results of Discontinued Operations for the year are represented below:

	Refer Note No.	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>REVENUE</b>			
Revenue from Operations		113.39	4,380.43
Other Income		531.94	120.28
<b>Total</b>		<b>645.33</b>	<b>4,500.71</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed		–	2,803.17
Changes in Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress		255.62	568.10
Employee Benefits Expense		(8.54)	523.59
Finance Cost		–	110.53
Depreciation & Amortization Expenses		–	162.30
Auditors' Remuneration	<b>40.1.a &amp; 40.1.b</b>	1.00	2.15
Other Expenses		227.16	1,359.85
<b>Total</b>		<b>475.24</b>	<b>5,529.69</b>
<b>(Loss) / Profit before tax from discontinued operations</b>		<b>170.09</b>	<b>(1,028.98)</b>
Loss arising due to Impairment of assets pertaining to Disposal Group		–	(1,115.90)
<b>(Loss) / Profit before tax from discontinued operations before exceptional items</b>		<b>170.09</b>	<b>(2,144.88)</b>

40.1. a Auditors' Remuneration	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Branch Statutory Auditors		
Audit Fees	1.00	1.75
<b>Sub-total</b>	<b>1.00</b>	<b>1.75</b>

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

40.1. b Cost Auditors	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Audit Fees	-	0.40
In other Capacity	-	-
<b>Sub-total</b>	-	0.40
<b>Total</b>	<b>1.00</b>	<b>2.15</b>

**40.2 The major classes of assets and liabilities of Textile Division (combining Fabrics and Yarn Division both) classified as “Held for Disposal” as at March 31, 2023 are as follows:**

	Refer Note No.	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Assets</b>			
Property, Plant and Equipment		-	643.25
Inventories		-	291.63
Current Financial Assets		7.37	50.42
Cash & Cash Equivalents		16.70	50.15
Trade Receivables		19.82	192.51
Other Current Assets		33.78	262.68
<b>Assets pertaining to "Disposal group"</b>		<b>77.67</b>	<b>1,490.64</b>
<b>Liabilities</b>			
Short Term Provisions		2.30	11.73
Trade Payables		15.25	183.32
Current Financial Liabilities		81.09	40.08
Current Liabilities		6.04	12.80
<b>Liabilities pertaining to "Disposal Group"</b>		<b>104.68</b>	<b>247.93</b>

**40.3** Refer note no. 43 for information on the carrying amount of assets ‘Held for disposal’ pledged as security for current & non-current borrowings.

**41. Contingent Liabilities****41.1 Claims/Disputes/Demands not acknowledged as debts :**

Sl. No.	Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
a	Claims not acknowledged as debts - Labour Matters	107.09	117.61
b	Disputed Service Tax and Excise Matters	45.66	52.12

**41.2** In respect of the matters in note no. 41.1, future cash outflows are determinable only on receipt of judgements/decisions pending at various forums/ authorities. Furthermore, there is no possibilities of any reimbursements to be made to the Company from any third party.

**42. Commitments****42.1 Estimated amount of contracts remaining to be executed on Capital Account and not provided for :**

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Estimated amount of contracts remaining to be executed on Capital Account	273.11	5.27
Less: Advance	125.74	2.65
<b>Net Amount</b>	<b>147.37</b>	<b>2.62</b>

**42.2 Leases**

The Company has adopted Ind AS 116 ‘Leases’ effective April 1, 2019 and applied the Standard to its leases, pursuant to which it has reclassified its leased asset as Right-of-Use Assets. The impact on the profit for the year is not material. Payment made towards short-term leases is ₹ 5.82 lakhs during the year (Previous Year ₹ 4.95 Lakhs) (included in Rent, Rates & Taxes under “Other Expenses”).



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

### 43. Assets pledged as security

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

Particulars	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>Non-current Assets</b>		
Property, Plant and Equipment	4,839.80	4,686.64
Capital Work-In-Progress	224.88	91.15
Other Financial Assets	33.07	33.24
Other Non-Current Assets	22.59	12.54
<b>Total Non-current assets pledged as security</b>	<b>5,120.34</b>	<b>4,823.57</b>
<b>Current Assets</b>		
Inventories	494.57	469.53
Biological Assets other than bearer plants	14.34	39.25
Trade Receivables	36.70	5.90
Cash & Cash equivalents	154.51	1,396.34
Other Bank Balances	-	-
Loans	6.57	8.44
Other Financial Assets	64.79	66.60
Other Current Assets	179.55	139.86
Assets pertaining to Disposal Group	-	-
<b>Total current assets pledged as security</b>	<b>951.03</b>	<b>2,125.92</b>
<b>Total assets pledged as security</b>	<b>6,071.37</b>	<b>6,949.49</b>

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

#### 44.1 Defined Contribution Plan:

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

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Provident Fund	189.39	198.30
Labour Welfare Fund	0.23	0.37
Employee State Insurance Scheme	0.21	2.86

#### 44.2 Defined Benefit Plan

The following are the types of defined benefit plans :

##### a Gratuity Plan (Funded)

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

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

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

The Company recognises undiscounted amount of short term employee benefits during the accounting period based on service rendered by the employee. During the year ended 31<sup>st</sup> March 2023, Company has paid ₹ 47.23 lakhs towards short term leave benefits (31<sup>st</sup> March 2022 ₹ 74.44 lakhs).

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

**c Risk Exposure**

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

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

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

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

Particulars	Gratuity	
	2022-23	2021-22
Balance at the beginning of the year	1,041.83	1,115.23
Current Service Cost	53.37	59.71
Past Service Cost	0.31	17.74
Interest Cost on Defined Benefit Obligation	76.06	77.25
<b>Actuarial Gain and Losses arising from</b>		
Changes in demographic assumptions	-	0.02
Changes in financial assumptions	(20.16)	(32.82)
Experience Adjustment	112.63	(45.24)
Benefits Paid from the Plan Assets	(147.87)	(150.06)
<b>Balance at the end of the year</b>	<b>1,116.17</b>	<b>1,041.83</b>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

### e Reconciliation of the Plan Assets

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

Particulars	Gratuity	
	2022-23	2021-22
Balance at the beginning of the year	1,075.23	976.89
Interest Income on Plan Assets	76.78	65.65
<b>Remeasurement of Defined Benefit Obligation:</b>		
Change in financial assumptions	-	-
Return on plan assets greater/ (lesser) than discount rate	(8.15)	7.20
Employer Contributions to the Plan	18.00	175.55
Benefits Paid from the Plan Assets	(147.87)	(150.06)
<b>Balance at the end of the year</b>	<b>1,013.99</b>	<b>1,075.23</b>

### f Reconciliation of Asset Ceiling

Particulars	Gratuity	
	2022-23	2021-22
Balance at the beginning of the year	18.64	-
Interest Cost on Asset Ceiling	-	-
<b>Re-measurements</b>	<b>(18.64)</b>	
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability / (asset)		18.64
Asset ceiling at the end of the year	-	18.64

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

Particulars	Gratuity	
	2022-23	2021-22
Current Service Cost	53.37	59.71
Past Service Cost	0.31	17.74
Interest Cost	76.06	77.25
Interest Income on Plan Assets	(76.78)	(65.65)
<b>Amount recognised in the statement of Profit &amp; Loss</b>	<b>52.96</b>	<b>89.05</b>

### h Remeasurements recognised in Other Comprehensive Income

Particulars	Gratuity	
	2022-23	2021-22
Actuarial (gain)/ Loss on defined benefit obligation	92.47	(78.03)
Changes due to re-measurement on asset ceiling due to changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	18.64
Return on plan assets greater/ (lesser) than discount rate	8.15	(7.20)
<b>Amount recognised in Other Comprehensive Income [Loss / (Gain)]</b>	<b>100.62</b>	<b>(66.59)</b>

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

Particulars	Gratuity			
	2022-23		2021-22	
	Tea	Textile	Tea	Textile
Qualified Insurance Policy	100%	-	100%	-
Debt Instruments including Central / State Government Debt Securities	-	41.12%	-	42%
Public Sector/Financial Institution Bonds	-	58.88%	-	28%
Cash & Cash equivalents	-	-	-	30%

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

**j Asset-Liability Matching Strategy**

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

**k Actuarial Assumptions**

Particulars	Tea		Textile	
	2022-23	2021-22	2022-23	2021-22
<b>Financial Assumptions</b>				
Discount Rate	7.49%	7.29%	7.50%	N.A.
Salary Escalation Rate	7.00%	7.00%	7.50%	N.A.
<b>Demographic Assumptions</b>				
Mortality Rate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	N.A.	N.A.
Withdrawal Rate	1% p.a.	1% p.a.	N.A.	N.A.

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

**m** At 31st March 2023, the weighted average duration of the defined benefit obligation was 11 years in Tea Division (previous year 11 years in Tea Division & 7 Years Textile Division).

**n** A separate trust fund is created to manage the gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of the Income Tax Rules, 1962. As such there are no plan for amendments, curtailments and settlements in the Tea Division, but the Board had decided in its meeting dated 10th March 2022 to close the operation of the Textile Division (Since Discontinued Operations). Hence, all liabilities relating to Textile Division had been computed as due during previous financial year and was honoured by the company accordingly. The Company expects to contribute ₹ 103 lakh (previous year ₹ 10 lakh) to its gratuity fund in 2023-24.

**o Sensitivity Analysis**

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

Particulars	Gratuity			
	2022-2023		2021-2022	
	Tea	Textile	Tea	Textile
Effect on DBO due to 1.0% increase in Discount Rate	(91.44)	N.A.	(82.69)	(2.41)
Effect on DBO due to 1.0% decrease in Discount Rate	107.97	N.A.	97.91	2.77
Effect on DBO due to 1.0% increase in Salary Escalation Rate	107.41	N.A.	97.21	2.80
Effect on DBO due to 1.0% decrease in Salary Escalation Rate	(92.63)	N.A.	(83.61)	(2.47)
Effect on DBO due to 1.0% increase in the Withdrawal Rate	3.87	N.A.	1.93	0.36
Effect on DBO due to 1.0% decrease in the Withdrawal Rate	(4.45)	N.A.	(2.24)	(0.40)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

**45.** In accordance with the Guidance Note on “Accounting for Expenditure on Corporate Social Responsibility” activities, the requisite disclosure is as follows:

As per computation U/s 198, ₹ Nil (P.Y. ₹ Nil) is required to be spent by the Company on account of Corporate Social Responsibility.

**46.** Certain trade receivables, loans & advances and creditors are subject to confirmation. In the opinion of the management, the value of trade receivables and loans & advances on realisation in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

### 47. Related Party Disclosures

#### 47.1 Other related parties with whom transactions have taken place during the year and previous year are:

Nature	Name	Designation
Key Management Personnels (KMP)	Sri Adarsh Kanoria	Managing Director
	Sri Kailash Prasad Khandelwal (Whole-time Director till 31.12.2022)	President
	Smt Shubha Kanoria	Non-Executive Director
	Sri Samveg A. Lalbhai	Non-Executive Director
	Sri Navin Nayar	Independent Director
	Sri Golam Momen (Since Deceased )	Independent Director
	Sri Dharendra Kumar	Independent Director
	Sri Ashutosh Bhagat	Independent Director
	Sri Kushagra Kanoria	Vice President
	Sri Atul Doshi	Chief Financial Officer
	Smt Sunita Shah	Company Secretary
	Sri Ashok Kumar Nangalia	KMP (As per definition of IND AS)
	Sri Deepak Kumar Saraf	KMP (As per definition of IND AS)
	Sri Pradeep Kumar Goenka	KMP (As per definition of IND AS)
Nature	Name of the Company	
Name of the Company / Trusts in which Directors/ Key Managerial Personnel (KMP) and their relatives have significant influence	Rydak Enterprises & Investment Limited (Ultimate Holding Company)	
	Kanoria Exports Private Limited	
	KANCO Tea Industries Ltd	
	Cheviot Agro Industries Private Ltd	
	AKV Textiles Limited	
	Meenakshi Properties Private Limited	
	Shivshakti Arts Private Limited	
	Ananda Seva Kosh	
Employee Benefit Funds	Bengal Tea & Fabrics Limited Unit Asarwa Mills Employee's Grauity Trust Fund	
	Bengal Tea & Fabrics Limited-Tea Division Employee's Gratuity Fund	

#### 47.2 Transactions during the year

Particulars	2022-2023			2021-2022		
	KMP	Employee Benefit Funds	Companies in which KMP's are interested	KMP	Employee Benefit Funds	Companies in which KMP's are interested
Rent Received	-	-	-	-	-	0.60
Director's sitting fees	6.20	-	-	8.80	-	-
Salary & Other Benefits	193.04	-	-	188.80	-	-
Reimbursement of Expenses	-	-	-	0.82	-	-
Sale of Goods	-	-	5.81	-	-	125.63
Amount outstanding to be receivable	0.45	-	-	2.75	-	-
Dividend Paid	15.48	-	50.61	15.48	-	50.61
Contribution to Employees Benefit Funds	-	18.00	-	-	175.55	-



**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

**47.3 Key Management Personnel compensation \***

Particulars	2022-2023	2021-2022
Short Term Employee Benefits	193.04	188.80
Post Employment Benefits	-	-
Long Term Benefits	-	-
<b>Total Compensation</b>	<b>193.04</b>	<b>188.80</b>

**\* Notes .**

- 1) Short term employee benefits includes the perquisites calculated as prescribed under the Income Tax Act, 1961.
- 2) The Company contributes equal amount to the employees Provident Fund within the statutory limits as prescribed under the relevant Act.
- 3) Post-employment benefits & other long-term benefits are disclosed based on actual payment made on retirement/resignations of services, but does not include provisions made on actuarial basis as gratuity and leave encashment are provided on an actuarial valuation basis for the Company as whole , the amount pertaining to individual is not ascertainable.

**47.4 Terms and Conditions of transactions with Related Parties**

- i) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- ii) The Company doesn't have any balances outstanding with related parties as at the end of the financial year.

**48 Fair value of Financial Assets and Financial Liabilities As at 31<sup>st</sup> March 2023 and 31st March 2022**

Particulars	31 <sup>st</sup> March 2023			31 <sup>st</sup> March 2022		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investment						
- Mutual Funds/AIF/ETF	2,751.21	-	-	901.54	-	-
- Debentures / Bonds	-	-	1,352.01	-	-	100.00
Trade Receivables	-	-	36.70	-	-	5.90
Loans	-	-	6.57	-	-	8.44
Cash & Cash equivalents	-	-	154.51	-	-	1,396.34
Other Bank Balances	-	-	6.10	-	-	5.86
Other Financial Assets	-	-	97.86	-	-	99.84
<b>Total Financial Assets</b>	<b>2,751.21</b>	<b>-</b>	<b>1,653.75</b>	<b>901.54</b>	<b>-</b>	<b>1,616.38</b>

Particulars	31 <sup>st</sup> March 2023			31 <sup>st</sup> March 2022		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Liabilities</b>						
Borrowings	-	-	683.19	-	-	87.54
Trade Payables	-	-	190.52	-	-	175.01
Other Financial Liabilities	-	-	54.93	-	-	22.42
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>928.64</b>	<b>-</b>	<b>-</b>	<b>284.97</b>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

### 49. Fair Values

49.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

Particulars	31 <sup>st</sup> March 2023		31 <sup>st</sup> March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Investment				
Debentures / Bonds	1,352.01	1,363.90	100.00	100.00
Trade Receivables	36.70	36.70	5.90	5.90
Loans	6.57	6.57	8.44	8.44
Cash & Cash equivalents	154.51	154.51	1,396.34	1,396.34
Other Bank Balances	6.10	6.10	5.86	5.86
Other Financial Assets	97.86	97.86	99.84	99.84
<b>Total Financial Assets</b>	<b>1,653.75</b>	<b>1,665.64</b>	<b>1,616.38</b>	<b>1,616.38</b>
<b>Financial Liabilities</b>				
Borrowings	683.19	683.19	87.54	87.54
Trade Payables	190.52	190.52	175.01	175.01
Other Financial Liabilities	54.93	54.93	22.42	22.42
<b>Total Financial Liabilities</b>	<b>928.64</b>	<b>928.64</b>	<b>284.97</b>	<b>284.97</b>

49.2 The management assessed that the fair values of Cash & Cash equivalents, trade receivables, trade payables, short term borrowings and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

49.3 For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

49.4 The fair value of the financial assets and financial liabilities is included at the amount at which the same could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### 50 Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

#### 50.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investment at FVTPL						
Mutual Funds/AIF/ETF	2,751.21	-	-	901.54	-	-
<b>Total Financial Assets</b>	<b>2,751.21</b>	<b>-</b>	<b>-</b>	<b>901.54</b>	<b>-</b>	<b>-</b>

#### 50.2 Financial Assets and Liabilities measured at Amortized Cost for which fair values are disclosed

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investment						
Debentures / Bonds	-	1,363.90		-	100.00	
Trade Receivables	-	-	36.70	-	-	5.90
Loans	-	-	6.57	-	-	8.44
Cash & Cash equivalents	-	-	154.51	-	-	1,396.34
Other Bank Balances	-	-	6.10	-	-	5.86
Other Financial Assets	-	-	97.86	-	-	99.84
<b>Total Financial Assets</b>	<b>-</b>	<b>1,363.90</b>	<b>301.74</b>	<b>-</b>	<b>100.00</b>	<b>1,516.38</b>

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

Particulars	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>						
Borrowings	-	-	683.19	-	-	87.54
Trade Payables	-	-	190.52	-	-	175.01
Other Financial Liabilities	-	-	54.93	-	-	22.42
<b>Total Financial Liabilities</b>	-	-	<b>928.64</b>	-	-	<b>284.97</b>

**50.3** During the year ended 31st March 2023 and 31st March 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

**50.4 Explanation to the fair value hierarchy**

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as described in Note no. 2.7.

**51. Financial Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the Company, the Company has risk management policies as described below :-

**51.1 Credit Risk**

Credit risk refers to the risk of financial loss arising from default / failure by the counterparty to meet financial obligations as per the terms of contract. The Company is exposed to credit risk for receivables, Cash & Cash equivalents, financial guarantees and derivative financial instruments. None of the financial instruments of the Company result in material concentration of credit risks.

Credit risk on receivables is minimum since sales through different mode (e.g.. auction, consignment, private - both domestic and export) are made after judging credit worthiness of the customers, advance payment or against letter of credit by banks. The history of defaults has been minimal and outstanding receivables are regularly monitored. For credit risk on the loans to parties, the Company is not expecting any material risk on account of non-performance by any of the parties.

For derivative and financial instruments, the Company manages its credit risks by dealing with reputable banks and financial institutions. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The carrying value of the financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

**51.1(a) Trade receivables as on 31st March 2023**

Ageing schedule	Outstanding from the due date of payment				
	Not Due	0-60 days past due	61-180 days past due	> 180 days past due	Total
Gross Carrying amount	35.57	0.25	-	0.88	36.70
Expected loss rate	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-
<b>Carrying amount of trade receivables (Net of Impairment)</b>	<b>35.57</b>	<b>0.25</b>	<b>-</b>	<b>0.88</b>	<b>36.70</b>

**51.1(b) Trade receivables as on 31st March 2022**

Ageing schedule	Not Due	0-60 days past due	61-180 days past due	> 180 days past due	Total
Gross Carrying amount	-	5.02	-	0.88	5.90
Expected loss rate	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-
<b>Carrying amount of trade receivables (Net of Impairment)</b>	<b>-</b>	<b>5.02</b>	<b>-</b>	<b>0.88</b>	<b>5.90</b>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

### 51.2 Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors rolling forecast of its liquidity position on the basis of expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short-term fund based lines, which provides healthy liquidity and these carry highest quality credit rating from reputed credit rating agency.

#### 51.2.1 Fund Management

Management monitors rolling forecasts of the Company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and Cash & Cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### 51.2.2 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March, 2023. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

a	Particulars	On Demand	< 6 Months	6 months - 1 year	1 year - 5 years	> 5 years	Total
	Trade payables	3.77	186.75	-	-	-	190.52
	Borrowings	683.19	-	-	-	-	683.19
	Other financial liabilities	54.93	-	-	-	-	54.93
	<b>Total</b>	<b>741.89</b>	<b>186.75</b>	-	-	-	<b>928.64</b>

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2022

	Particulars	On Demand	< 6 Months	6 months - 1 year	1 year - 5 years	> 5 years	Total
	Trade payables	6.51	168.50	-	-	-	175.01
	Borrowings	87.54	-	-	-	-	87.54
	Other financial liabilities	22.42	-	-	-	-	22.42
	<b>Total</b>	<b>116.47</b>	<b>168.50</b>	-	-	-	<b>284.97</b>

### 51.3 Market Risk

#### 51.3.1 Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the U.S.Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency(INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

Since the Company's financials are prepared and reported in INR which also is the functional currency of the Company and as it doesn't have any foreign associate, subsidiary etc, there is no translation risk involved. On the date of financial results, Company doesn't have significant foreign currency trade payables and receivables etc. and is, therefore, not exposed to foreign exchange risk.

#### a Exposure to Currency risk

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Unhedged Foreign Currency Exposure

Particulars	31 <sup>st</sup> March 2023		31 <sup>st</sup> March 2022	
	USD	INR	USD	INR
<b>Financial Assets</b>				
Trade Receivables	-	-	-	-
<b>Financial Liabilities</b>				
Trade Payables	-	-	-	-
Net Exposure in Foreign Currency	-	-	-	-

**Notes to Financial Statements** for the year ended 31st March, 2023

(Amt in ₹ lakhs)

**b Sensitivity Analysis**

Since, the Company doesn't have foreign currency operations, the analysis is not reported.

**51.3.2 Interest Rate Risk**

The Company is exposed to risk due to interest rate fluctuation, on the following:

- a Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rate of interest. The Company have investments in fixed interest bearing financial asset during the financial year ended 31st March 2023.
- b The interest rate risk can also impact the provision for retiral benefits. The Company generally utilizes variable rate borrowings and therefore subject to interest rate risk, as both the carrying amount and the future cash flows will fluctuate because of change in the market interest rates.

During 31st March 2023 and 31st March 2022, all the Company's investments and borrowings were at fixed rate mainly denominated in INR.

**(i) Exposure to interest rate risk**

	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Fixed Rate Instruments		
Financial Assets	1,363.90	100.00
Financial Liabilities	-	-
	<b>1,363.90</b>	<b>100.00</b>
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	683.19	87.54
	<b>683.19</b>	<b>87.54</b>

**(ii) Sensitivity Analysis**

Profit or loss is sensitive to higher/ lower interest expense on borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Sensitivity Analysis	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
		Impact on		Impact on	
		Profit before tax	Other Equity	Profit before tax	Other Equity
Interest Rate increase by	0.50%	3.40	2.50	(0.44)	(0.36)
Interest Rate decrease by	0.50%	(3.40)	(2.50)	0.44	0.36

**51.3.3 Other Price Risk**

The price risk is the risk arising from investments held by the Company and classified in the balance sheet either at fair value through Other Comprehensive Income or at fair value through profit or loss.

The Company's equity investments are mainly strategic in nature and are generally held on a long-term basis. Further, the current investments are in units of liquid mutual fund, debentures, Alternate Investment Funds and Pass-through instruments etc and these are not exposed to significant price risk.

**Exposure to other market price risk**

	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Investment in Mutual Funds /AIF/ ETF	2,751.21	901.54
Investment in Debentures / Bonds	1,363.90	100.00

**52. Capital Management**

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through optimum mix of borrowed and own funds.



## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

### 53. Segment Reporting

#### Basis of Segmentation

Factors used to identify the reportable segments : The Company has following business segments which are its reportable segments. These segments offer different products and services and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and received by the Chief Operating Decision Maker (CODM).

Reportable Segment	Products / Services
Textiles Division (Since discontinued)	Manufacturing & trading of fabrics
Yarn Division (Since discontinued)	Manufacturing of yarn
Tea	Manufacturing & trading tea and various value added items
Real Estate	Selling of developed plots

The measurement principles of segments are consistent with those used in significant accounting policies. There are no inter segment transfers.

#### 53.1 Primary Segment Information (Business Segment)\*

Particulars	Textiles - Fabric division (Since Discontinued)	Textiles - Yarn division (Since Discontinued)	Tea	Real Estate	Unallocable	Total
<b>Segment Revenue</b>						
External Turnover	113.39	-	4,952.28	-	-	5,065.67
	4,380.43	-	5,513.20	-	-	9,893.63
Revenue from Operations	113.39	-	4,952.28	-	-	5,065.67
	4,380.43	-	5,513.20	-	-	9,893.63
Segment Result	168.67	-	316.50	(410.54)	-	74.63
	(2,021.52)	(13.42)	1,080.98	-	-	(953.96)
Less: Unallocable Expenditure net of unallocable Income					(196.39)	(196.39)
					128.85	128.85
Finance Costs	-	-	42.94	-	-	42.94
	110.53	-	43.15	-	-	153.68
Profit /(Loss) from Operations before Exceptional items & Taxation						228.08
						<b>(1,236.49)</b>
<b>Other Information</b>						
Segment Assets	71.37	-	6,077.95	1,621.00	5,021.32	12,791.64
	1,469.28	9.87	6,959.03	2,031.54	2,048.52	12,518.24
Segment Liabilities	104.68	-	1,346.61	-	6.10	1,457.39
	246.21	1.73	622.43	-	145.17	1,015.54
Capital Expenditure	-	-	471.34	-	-	471.34
	0.85	-	423.83	-	-	424.68
Depreciation/ Amortization / Impairment	-	-	177.92	-	-	177.92
	1,278.20	-	180.00	-	-	1,458.20

**Notes to Financial Statements** for the year ended 31st March, 2023

(Amt in ₹ lakhs)

**53.2 Secondary Segment Information (Geographical Segment) \***

Particulars	Within India	Outside India	Total
Segment Revenue	5,065.67	-	5,065.67
	<b>9,835.54</b>	<b>58.09</b>	<b>9,893.63</b>
Segment Assets	12,791.64	-	12,791.64
	<b>12,518.24</b>	-	<b>12,518.24</b>
Capital Expenditure	471.34	-	471.34
	<b>424.68</b>	-	<b>424.68</b>

\* Figures in Italics &amp; Bold represents previous year figures.

**53.3 Other Disclosures**

- The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on two business groups : Tea and Real Estate. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them. The Company has discontinued operations relating to Textile Unit (Yarn and Fabric Divisions) as reported in Note no. 40.
- The geographical information considered for disclosure are:
  - Sales within India
  - Sales outside India
- The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.
- The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

**54. Analytical Ratios** (Including effects of operational results and Closing balances of Assets and Liabilities pertaining to Discontinued Operations)

Ratio Analysis	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	% Variance	Reason for Variance
i) <b>Current ratio :</b> [Numerator- Current assets / Denominator - Current liabilities]	<b>3.91</b>	<b>6.88</b>	<b>(43.23)</b>	Current ratio was higher during the previous financial year mainly on account of large Cash and Cash equivalents balance at 31.03.2022 due to realization from disposal of "Assets pertaining to Disposal Group".
ii) <b>Debt Equity ratio :</b> [Numerator- Debt / Denominator - Equity ]	<b>0.06</b>	<b>0.01</b>	<b>692.03</b>	Due to Debit balance in the Short Term borrowings following deposit of proceeds of sale of Asarwa house during the previous financial year, ratios are not comparable.
iii) <b>Debt Service coverage ratio :</b> [Numerator- Earnings available for Debt service (EBID) before exceptional items / Denominator - Debt Instalment + Principal Repayment]	<b>0.33</b>	<b>1.81</b>	<b>(81.52)</b>	Reduction in profit margin during the financial year and debit balance in the current borrowings during the previous financial year have resulted in huge variance in the ratio
iv) <b>Return on Equity ratio :</b> [Numerator - Profit /(Loss) after taxes (PAT) / Denominator - Average total Equity available to shareholders]	<b>0.00</b>	<b>0.17</b>	<b>(98.87)</b>	Profit on sale of "Assets held for Sale" resulted in "Exceptional Income" as disclosed in the "Statement of Profit & Loss" during previous financial year and hence not comparable.





## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

Ratio Analysis	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022	% Variance	Reason for Variance
<b>v) Inventory Turnover ratio :</b> [Numerator - Cost of Goods Sold or Sale of Goods / Denominator - Average inventory]	<b>2.06</b>	<b>3.07</b>	<b>(32.77)</b>	Low inventory ratio was due to closure of textile division and non-realisation of land held under Real Estate Division.
<b>vi) Trade Receivable turnover ratio :</b> [Numerator - Annual net Credit Sales / Denominator - Average Trade Receivables]	<b>39.74</b>	<b>17.00</b>	<b>133.77</b>	The ratio has improved due to faster realisation of the sale proceeds.
<b>vii) Trade Payables turnover ratio :</b> [Numerator - Annual net Credit Purchases / Denominator - Average Trade Payables]	<b>4.22</b>	<b>4.69</b>	<b>(9.95)</b>	—
<b>viii) Net Capital turnover ratio :</b> [Numerator - Net Sales / Denominator - Working Capital i.e. Current Assets - Current Liabilities]	<b>1.23</b>	<b>1.77</b>	<b>(30.38)</b>	Ratio was impacted due to closure of textile division during the previous financial year.
<b>ix) Net Profit ratio :</b> [Numerator - Profit /(Loss) after Tax (PAT) / Denominator - Net Sales]	<b>0.00</b>	<b>0.18</b>	<b>(97.63)</b>	Main reason for high percentage of variance is due to inclusion of exceptional income of ₹ 3,003.40 lakhs from the sale of "Assets held for Sale" during the financial year ended 31.03.2022.
<b>x) Return on Capital Employed (ROCE):</b>  [Numerator - Earnings before interest and taxes (EBIT) / Denominator - Capital Employed]	<b>3.88</b>	<b>26.84</b>	<b>(85.55)</b>	
<b>xi) Return on Investment (ROI) : -FIXED INCOME INSTRUMENTS</b>  [Numerator - (Realised+ Unrealised Profit on Investments) / Denominator - (Market Value of Investments at the beginning of the F.Y.+ Sum of weight adjusted Cost of Investments)]	<b>11.89</b>	<b>5.46</b>	<b>117.84</b>	Higher deployment in Fixed income Instruments purchased at discontinued rate during the year.
<b>xi) Return on Investment (ROI) : -LIQUID FUNDS / ETF</b>  [Numerator - (Realised+ Unrealised Profit on Investments) / Denominator - (Market Value of Investments at the beginning of the F.Y.+ Sum of weight adjusted Cost of Investments)]	<b>8.72</b>	<b>6.11</b>	<b>42.76</b>	Improvement in ROI is on account of market condition following action by the regulators and incremental investments in current interest regime.

### 55. Other statutory information

- The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

**Notes to Financial Statements** for the year ended 31<sup>st</sup> March, 2023

(Amt in ₹ lakhs)

- d The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- e The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- f The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- g The Company is not declared wilful defaulter by any bank or financial institution or lender during the year
- h The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- i The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- j The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.
- k The Company does not have any transactions with companies which are struck off except the following :

Name of the struck off company	Nature of transactions	Balance outstanding (₹ lakhs) *		Relationship with the struck off company, if any, to be disclosed
		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	
Belscot Investments & Consultancy Private Ltd	Shares held by struck-off Company	-	-	Shareholder
Crownest Vinimay Private Ltd	Shares held by struck-off Company	-	-	Shareholder

\* Less than ₹ 10,000/-

56 Previous GAAP figures have been re-classified/re-grouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act, 2013.

The Notes are an integral part of the Financial Statements

As per our Report annexed of even date

For **JAIN & CO.**

Chartered Accountants

Firm Registration No. 302023E

Sd/-

**CA M. K. JAIN**

Partner

Membership No. 055048

Kolkata

Sd/-

**A. KANORIA**

Chairman & Managing Director  
(DIN:00027290)

Sd/-

**ATUL DOSHI**

Chief Financial Officer

Sd/-

**SUNITA SHAH**

Company Secretary

Dated - The 25th Day of May, 2023





**Bengal Tea & Fabrics Limited**

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