



ESTD-1920

The Ananda Bag Tea Co. Ltd.

ANNUAL REPORT

- 2019 - 2020 -

THE ANANDA-BAG TEA COMPANY LIMITED

Directors :

Mr. Niraj Chokhani, Managing Director
Mr. Vinod Kumar Chokhani
Mr. Ramesh Kumar Chokhani
Mr. Dilip Singh
Mr. Nikhil Chokhani
Mrs. Aparna Lohia

Chief Financial Officer :

Mr. Biswajit Paul

Registered Office :

11/E, Everest House
46/C, Jawaharlal Nehru Road
Kolkata - 700 071 (West Bengal)
Phone : (++9133) 2288 5207/3897/3195
Fax : (++9133) 2288 4267
Email : tea@anandabag.com
Web-site : www.anandabag.com
CIN : L15492WB1920PLC005244

Garden :

Ananda-Bag Tea Estate
P.O. Makum Junction
Pin - 786 170
Tinsukia
Assam

Auditors :

Mesrs. K. Ray & Co.
Chartered Accountants
4, Ripon Street, 2nd Floor
Kolkata - 700 016

Banker :

Union Bank of India
15, India Exchange Place
Kolkata - 700 001

Registrars & Transfer Agents :

ABS Consultant Pvt. Ltd.
Room No. 99, Stephen House
6th Floor, 4, B.B.D. Bag (E)
Kolkata - 700 001
Phone : 2243-0153, 2220-1043

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting their 100th Annual Report together with the Audited Accounts for the year ended 31st March, 2020

FINANCIAL RESULTS

	2019-2020	2018-2019
PROFIT/(LOSS) BEFORE TAXATION	(29595074)	(39997693)
PROVISION FOR TAXES		
Current Tax		
Deferred Tax	(1372473)	(6961900)
PROFIT/(LOSS) AFTER TAX	(28222601)	(33035792)
Tax for Earlier Years	-----	122108
Other Comprehensive Income	(1977313)	(1877466)
Balance Carried to Balance Sheet	(30199914)	(35035366)

DIVIDEND

During the year the Company has suffered loss of Rs. 30,199,914/- . The main reasons are that the prevailing interim increase in wages with effect from November,2019 pursuant to the Order of labour Welfare Department, Government of Assam, in the labour wages per day per worker by Rs. 30.00 the effect of which in single stroke resulted in increase by Rs. 5,392,095/- (apprx.) per kg. of made tea , apart from increase in other inputs of production . Furthermore decrease in production compared to last year due to short supply of gas and no production of tea due to temporary suspension of operation from 24th March,2020 due to nationwide lock down on account of COVID-19 in compliance of the order of Government of India .

In view of the fact as stated above , the Directors are unable to recommend any dividend.

FUTURE OUTLOOK

The Company has taken steps to overcome the past year's result even though there has been no operation in April and May,2020. Further, the company expects to earn more from exports. It has been found that realization of tea per kg. will be increased compared to last year. The Global COVID-19 pandemic, which has impacted the Indian and World economy, has resulted in disruption to the working and business of the company. The nation-wide lockdown, which came into force on March 24th 2020, halted most of the activity in the country and accordingly our Company's operations were also impacted, including the

production of tea. However, since mid April 2020, when the lockdown was relaxed, we have commenced activities gradually at our garden with the local authorities permitting resumption of the same with reduced manpower while ensuring that all safety measures as set out by the Government are being adhered to. Key concerns during the period and leading up to normal operations were the non-availability of labor and problem in transportation of tea. It is difficult to predict the business impact due to the unprecedented environment caused by the COVID-19 pandemic. However, the Company expects to achieve normalcy in its operations as the impact of this pandemic and the national wide lockdown eases.

SHARE CAPITAL

The Company has not issued Share Capital or other securities during the year.

TRANSFER TO RESERVE

In view of loss incurred during the year, the Company has deducted the amount of Loss of Rs.28,222,601/- without considering OCI of Rs. 1,977,313/- from the General Reserve during the year.

CHANGES IN NATURE OF BUSINESS

There has been no changes in the nature of business of the company.

PARTICULARS OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is given in the Annexure – 'A' to this Report.

PARTICULARS OF EMPLOYEES

Since the company does not have any employee drawing the salary of more than Rs. 8.50 lacs per month or Rs.10,200,000/- per annum, therefore the Statement required under section 134 of the Companies Act, 2013 read with Rules (Appointment and remuneration of Managerial personal) of the Companies Rules 2014 is not annexed. However, remuneration paid to Managing Director has been separately stated in K.M.P.'s details.

CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Capital and Net worth being less than the prescribed limit, hence Compliance of Regulation 27 of SEBI LODR with Stock Exchange is not mandatory for the Company.

The Shares of the Company are listed at The Calcutta Stock Exchange Ltd, and the Company is regularly paying the listing fees as and when the bill of Calcutta Stock Exchange Limited is received.

For the awareness and information, the Board is pleased to inform that the Company is Compliant with Code of Practices & Fair Disclosure of Unpublished Price & Code of Conduct as per regulation 8 & 9 respectively of the SEBI (Prohibition of Insider Trading Regulations, 2015).

FIXED DEPOSITS

The Company has not accepted fixed deposit during the year pursuant to Sec.73 of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT AND SECRETARIAL COMPLIANCE REPORT

In compliance to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the Secretarial Audit Report submitted by Company Secretary in practice for the year ended 31st March, 2020 is annexed herewith marked as Annexure – ‘B’ to this report. The Secretarial Audit Report, observation, remarks, comments stated in their report are self explanatory.

Pursuant to Regulation 24(a) of (Listing Obligations and Disclosure Requirement) Regulations, 2015 the Secretarial Compliance Report is not applicable to the company.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance of Section 134(5) of the Companies Act, 2013 Your Directors hereby state and confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to materials departures
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments 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 the Loss of the Company for that period.

- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors had prepared the annual accounts on a going concern basis.
- v) That the Directors had laid down internal financial controls in the Company that are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure Compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

POLICY FOR PREVENTION , PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

Your directors have adopted the written policy in accordance with the sexual harassment of women at workplace (prevention, Prohibition and Redressal) Act, 2013 . During the financial year 2019-20, no cases in the nature of sexual harassment were reported at any workplace of the company.

NUMBER OF BOARD MEETINGS HELD

The Board of Directors duly met 5(five) time during the financial year from 1st April, 2019 to 31st March, 2020. The date of the meeting are 30th May, 2019, 14th August, 2019, 16th September, 2019, 15th November, 2019 and 14th February, 2020.

<u>Sl. No.</u>	<u>Date of Board Meeting</u>	<u>Boards Strengths</u>	<u>No. of Directors attended in the Meeting</u>
1.	30.05.2019	06	06
2.	14.08.2019	06	04
3.	16.09.2019	06	04
4.	15.11.2019	06	05
5.	14.02.2020	06	05

CORPORATE SOCIAL RESPONSIBILITY

Presently the Net worth, turnover and the net loss of the Company being less than the prescribed limits; hence constitution of corporate social responsibility (CSR) Committee is not required.

COMMITTEE OF THE BOARD

At present the Board has constituted the following committees and their composition and compliances are as per the applicable provisions of the Act and Rules

(a) Audit Committee - The Audit Committee was constituted to supervise all financial transactions and to report on actual or suspected fraud etc. The Committee Comprises Independent Directors namely Mr. Nikhil Chokhani, Mrs. Aparna Lohia and Mr. Vinod Kumar Chokhani, Non Executive Director as other member. The Committee met 4 times during the year from 1st April, 2019 to 31st March, 2020. The date of meetings are 30th May, 2019, 14th August, 2019, 15th November, 2019 and on 14th February, 2020.

(b) Nomination and Remuneration Committee - To formulate Policy of the Company on Directors appointment & remuneration and for determining qualifications and independence as provided under Sec.178(3) of the Companies Act, this Committee was formed which Comprises Mr.Ramesh Chokhani, Mr.Dilip Singh, Non-Executive Director and Mrs. Aparna Lohia , Independent Director of the Company. We confirm that the Remuneration paid to the Directors is as per the terms laid down and adopted in the policy of the Company. The salient features of the policy are appended as Annexure 'C' to this report. The committee met once in the Financial Year on 14th August,2019.

(c) Stakeholders Relationship Committee - To consider the grievances of Security holders of the company. This committee was formed consisting of Mr. V. K. Chokhani, Mr. Dilip Singh and Mr. Nikhil Chokhani, the executive and non-executive Directors of the Company members of the Committee. We further affirm that there were no grievances reported during the year. The committee met once in the financial year on 14th February,2020.

(d) Risk Management Policy

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risk factors faced by the Company. However during the year under review, your Company has set up a Risk Management Policy to oversee various risks, factors affecting the business and for taking suitable steps to mitigate the same.

In the opinion of the Board none of the risk faced by the company is very serious which will affect its existence. However, risk associated with tea, being an Agriculture Commodity, is dependent on Agro Climatic condition.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

No new Appointment and Resignation of Directors have been taken place during the year. Earlier, Company has appointed Mr. Niraj Chokhani as Managing Director and with effect from 11th February, 2019 for a period of five years, Mr. Niraj Chokhani's designation was changed from whole-time Director to Managing Director keeping all the terms of service and remuneration remains same which he was entitled at the time of appointing Whole-time Director of the Company.

Under Articles 103 of the Articles of Association of the Company Mr. Ramesh Chokhani retires by rotation and being eligible offer himself for re-appointment.

Pursuant to Sec 203 of the Companies Act, 2013 the Board of Directors have considered to appoint Mrs. Nilu Nigania, ACS, as a Company Secretary with effect from 1st June, 2020 in order to comply with the provision of Companies Act, 2013 and Provisions of LODR.

SUBSIDIARIES AND ASSOCIATES

The Company does not have any Subsidiary Company as defined U/S 2(87) of the Companies Act, 2013. Further, the Company does not have any Associate Company or Joint venture agreement with another company as per Companies Act, 2013.

DECLARATIONS OF INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013.

AUDITORS REPORT

Regarding Auditors observation for Non provision of Gratuity, explanation has been stated vide Note 27.3(b) of additional Notes on Financial Statements, in the opinion of the Board of Directors, no further clarification are required for the same.

AUDITORS

Messrs. K. Ray & Co., Chartered Accountants of 4, Ripon Street, 2nd Floor, Kolkata – 700016 were appointed as Auditors of the Company for a period of 5 years with effect from 01.04.2017.

The first proviso to Section 139 of the Companies Act, 2013 which provided for the ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting has been omitted by the Companies Amendment Act 2017 w.e.f. 7 th May,2018. Hence, no resolution for appointment of Statutory Auditor is required at this ensuing AGM

M/s. B. Ray & Associates, Cost Accountants, has been appointed to conduct the Internal Audit of the Company for the financial year 2020-2021.

Mr A. K. Daga practicing Company Secretary has been appointed to conduct the Secretarial Audit of the Company for the financial year 2020-2021.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business. There are adequate internal control procedures commensurate with the size of the company and nature of its business.

COST AUDITORS

According to the provisions of the Companies (Cost Records and Audits) amendment Rules, 2014 Cost Audit of the product of Company is not required. Hence appointment of Cost Auditor is not proposed.

BOARD EVALUATION

As required by the Companies Act 2013 a formal Annual evaluation needs to be made by the Board of its own performance. Accordingly the Board evaluates the performance of non-executive Directors every year. All the non-executive Directors are eminent personalities having wide experience in the field of business, Industry & Administration. Their presence in the Board is advantageous and fruitful in taking business decision. The company has appointed two Independent Directors during the year. Schedule IV to the Companies Act, 2013 provides that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Directors being evaluated.

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015., the Board has carried out annual evaluation of performance of Directors individually, Board as a whole and following committees of the Board of Directors.

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholders' Relationship Committee

The Board has approved the evaluation made by the Nomination and Remuneration Committee. Pursuant to provisions of Regulation 21 of LODR the Constitution of Risk Management is not applicable to the Company.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure – 'D'

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has neither given any Loan, or Guarantee nor made any Investments pursuant to Sec 186 of the Companies Act, 2013 during the year.

RELATED PARTY TRANSACTIONS

The Company has entered into related party transactions in its ordinary course of business on arm length basis U/S 188 of the Companies Act 2013 during the year. The necessary details are given in form No. AOC-2 is as per Annexure – 'E' is attached to this report. There was no material significant related Party transactions that had a potential conflict with the interests of the Company. Transactions with related parties entered into the normal course of business are periodically placed before the Audit Committee of the Board for its approval.

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNELS (KMP) / EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975 in respect of employees of the Company and Directors is furnished hereunder.

(Rs. in lacs)

Sl. No.	Name	Designation	Remuneration paid FY 2019-20	Remuneration paid FY 2018-19	Increase in remuneration from previous year	Ratio/Times per Median of employee remuneration
1.	Mr. Niraj Chokhani	Managing Director	12.52	12.15	0.37	16.94

- a) The number of permanent employees on the rolls of the company as of March 31st 2020 was 384 (three hundred eighty four only)
- b) The Median Remuneration of Employees (MRE) excluding Managing Director was Rs.6159/- in fiscal 2020.
- c) There is marginal increase in turnover of Rs. 31,409,849/- compared to the last year ended 31st March,2019. The financial statement for the year ended 31st March,2020, taking into account "Other Compensatory Income" has shown a loss of Rs.1,977,313/- as against loss of Rs. 35,035,366/-in the previous year.

Particulars of the employees as required to be reported pursuant to section 197 read with Rules 5(2) of the Companies (Appointment & Remuneration) Rule 2014 is not applicable to the Company

SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards.

VIGIL MECHANISM

In pursuance to the provisions of Section 177(9) & (10) of the Companies Act, 2013 a Vigil Mechanism secured system for directors and employees to report genuine concerns about unethical behaviour fraud, or violation of the codes of conduct has been established. It also provides for adequate safeguard against victimization of employee by giving them direct access to the chairman of the Audit Committee under certain circumstances. The Vigil Mechanism Policy will be uploaded on the website of the Company.

INVESTOR EDUCATION AND PROTECTION FUND(IEPF)

The Company has transferred a sum of Rs.16,790/- on 11th November,2020 lying unpaid / unclaimed dividend declared for the financial year 2012-13 to IEPF pursuant to Section 124/125 of the Companies Act,2013.

ACKNOWLEDGEMENT

Your Directors wish to convey their appreciation for the co-operation and assistance extended by the Govt.(s), Financial Institutions, Bankers, & Customers. Your Directors also wish to express their deep appreciation for the integrity and hard work of all the employees of the Company at all levels to meet the challenging market and for the growth of the Company

The Board also takes this opportunity to express their deep gratitude for the continued co-operation and support received from the shareholders.

Registered Office :
11-E, Everest House,
46-C, Jawaharlal Nehru Road
Kolkata – 700 071

By Order of the Board
SD/- NIRAJ CHOKHANI
MANAGING DIRECTOR

Place: Kolkata
Dated: 30th January, 2021

ANNEXURE 'A' TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013
READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE
REPORT OF BOARD OF DIRECTORS) RULES, 2014

1. CONSERVATION OF ENERGY:

- | | |
|---|--|
| (i) Energy Conservation measure taken : | In the phase manner
Replacement of old
equipment by energy
efficient equipment. |
| (ii) Additional investment and proposals, :
if any, being implemented for reduc-
tion of consumption of energy. | Continuous efforts are being
made on measures to
Conserve energy. |

FORM 'A'

2020

2019

(A) POWER AND FUEL CONSUMPTION :

1. Electricity

(a) Purchased

Unit	396959.42	343219.50
Total Amount (Rs.)	3453341.00	2964980.00
Rate / Unit (Rs)	8.70	8.72

(b) Through Diesel Generator :

Unit	97995.00	50752.00
Unit per ltr. of Diesel Oil	2.64	2.50
Fuel Cost / Unit(Rs)	25.91	28.02
Through Steam :	Nil	Nil
Turbine / Generator	Nil	Nil

2. Gas

Unit	4691	13038
Total Amount(Rs.)	34939.00	87575.00

3. Furnace Oil - L.D.O. (K.ltrs.)

Nil Nil

4. Others / Internal Generation

(i) Natural Gas :

Quantity (S.C.U.M.)	631215	549921
Total cost (Rs.)	4479122.00	3693772.00
Rate/Unit/1000 Scum	7156	7450

THE ANANDA-BAG TEA COMPANY LIMITED

	<u>2020</u>	<u>2019</u>
5. Manufacture:		
Unit (Scum)	500667.00	479630.00
Total Amount (Rs.)	3582560.00	3221633.00
(B) Consumption per Unit of Production:	0.62	0.58
Products -Tea (Gross) (Kgs.)	802488	827129
Electricity (in unit)	0.61	0.50
(including own Generation)		
Natural Gas (in Rs)	Nil	Nil
Domestic Use :		
1. Electricity		
Purchase (Unit)	33600	33500
Total Amount (Rs.)	292303	2292339
Rate /Unit (Rs)	8.70	8.72
2. Gas		
Unit (Scum)	125857	57253
Total Amount (Rs)	861623	384563

FORM 'B'

I. RESEARCH AND DEVELOPMENT:

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Specified area in which R & D carried out by the Company. 2. Benefits derived as a result of the above R & D 3. Future Plan of Action 4. Expenditure on R & D | <p>The Company subscribes to Tea Research Association which is the leading R & D Association in Tea Industry and it is registered under Section 35(i)(ii) of the Income Tax Act, 1961.</p> |
|---|--|

II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Technology developed indigenously by Tea Research Association particularly in the field of tea cultivation are adopted.

III. FOREIGN EXCHANGE EARNINGS AND OUT GO

1. Activities relation to exports, initiatives taken to increase exports development on new export market for products and services and export plans. All possible efforts are being made to produce quality tea so that teas find acceptance in International Market. Continuous efforts are being made to increase exports.

2. Foreign Exchange Earnings :	<u>2020</u>	<u>2019</u>
on FOB basis	Rs.67,418,673/-	Rs.34,687,203/-

Total Foreign Exchange Out Go

Commission	Rs.400,952/-	Rs.19,10,596/-
Travelling	<u>Rs.390,271/-</u>	<u>Rs. 4,46,922/-</u>
	<u>Rs.791,223/-</u>	<u>Rs.23,57,518/-</u>

Kolkata
Date: The 30th January , 2021

Niraj Chokhani
Managing Director



Ashok Kumar Daga

B. Com. (H), LLB., FCS
Practising Company Secretary

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136, JESSORE ROAD, BLOCK - 1
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KOLKATA - 700055
Phone : +91 33 32916865
Mobile : 09831036425, 09830236425
E-mail : daga.ashok@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st, MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

**To,
The Members,
THE ANANDA BAG TEA CO LTD
11E, EVEREST HOUSE,
46C, JAWAHARLAL NEHRU ROAD,
KOLKATA WB 700071**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by THE ANANDA BAG TEA CO LTD (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st, MARCH, 2020 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:



Ashok Kumar Daga

B. Com. (H), LLB., FCS
Practising Company Secretary

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I have examined the books, papers, minute books, forms and returns filed and other records maintained by THE ANANDA BAG TEA CO LTD ("the Company") for the financial year ended on 31st March 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI 'Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, -2009; **The company has not issued any shares during the year.**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

Not applicable, since the Company has not raised any such scheme as per (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 during the year.



Ashok Kumar Daga

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Practising Company Secretary

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E-mail : daga.ashok@gmail.com

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not applicable, since the company has not issued any debt securities during the year (Issue and Listing of Debt Securities Regulations, 2008;

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

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable, since the company has not applied for delisting of shares during the year and;**

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **not applicable, since the company has not bought back of shares during the year"**

- (vi) Other specifically applicable laws to the Company.

- (a) Water (Prevention and Control of Pollution) Act, 1974 and Air (prevention And Control of pollution) Act, 1981.

- (b) Factories License under Factories Act, 1948 for its units situated in different places.

- (c) License under Food safety and standards Act, 2006

- (d) Boiler Act 1923 & Indian Boiler Regulation 1950

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- (ii) The Company has complied with the provisions of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. ***Except the Company is required to appoint one more Independent Director in view of the provisions of Regulation 17 (2) of Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements)***



Ashok Kumar Daga

B. Com. (H), LLB., FCS
Practising Company Secretary

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/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.

Place: Kolkata

Dated: 30th January, 2021

UDIN NO. F002699B002363464

ASHOK
KUMAR
DAGA

Digitally signed
by ASHOK
KUMAR DAGA
Date: 2021.01.30
16:51:19 +05'30'

Ashok Kumar Daga

[Practising Company Secretary]

FCS No. 2699

CP No. 2948

ANNEXURE 'C' TO DIRECTORS' REPORT

NOMINATION AND REMUNERATION COMMITTEE POLICY

The Ananda-Bag Tea Co. Ltd. believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Constitution of the Board of Directors ensures appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. The importance of Independent Directors in achieving the effectiveness of the Board was also recognized. The Company intends to have an optimum combination of Executive, Non-Executive and Independent Directors.

The Company has , therefore , formulated the remuneration policy duly approved by Board for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- a. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract,
Retain and motivate, to run the Company successfully.
- b. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c. Ensuring that remuneration involves a balance between fixed and reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company. The committee recommends to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors of the Board and also the remuneration of Senior Management from time to time.

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company

THE ANANDA-BAG TEA COMPANY LIMITED

The Nomination and Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that is relevant for the Company's operations.

In evaluating the suitability of individual Board members, the Committee may take into account factors, such as General understanding of the Company's business, Educational and professional background, Personal and professional ethics, integrity and values, willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The Managing Director fulfills the following requirements:

- (a) possess Director Identification Number;
- (b) Not disqualified under the Companies Act, 2013;
- (c) Given his written consent to act as a Director;
- (d) Endeavor to attend all Board Meetings;
- (e) has disclosed his concern or interest as required under the Companies Act 2013;
- (f) Other requirements as may be prescribed, from time to time, under the Companies Act, 2013,

The Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director. The criteria of independence, as laid down in Companies Act, 2013 should be strictly followed.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company.

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the

Executive Directors / Key Managerial Personnel of the Company within the overall limits approved by the shareholders.

THE ANANDA-BAG TEA COMPANY LIMITED

The remuneration structure to the Executive Directors and Key Managerial Personnel shall include Basic Pay, Perquisites and Allowances & Retiral Benefits. Where any insurance is taken by the Company on behalf of its managing directors, chief financial officer, the company secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Committee on review of performance of Directors, KMPs and other employees of the Company may recommend to the Board for removal of such person if they consider him not to continue further in the interest of the Company, due to any of the reasons for disqualification as provided under the Act or on any reservation about their performances.

This policy shall be reviewed by the nomination and remuneration committee as and when changes need to be incorporated in the policy due to changes in regulation or as may be felt appropriate by the committee. Any change or modification in the policy as recommended by the committee would be given for approval to the Board.

This policy is framed based on the provisions of the Companies Act 2013 and rules there under and requirements of Clause 49 of the Listing agreement with the stock exchanges.

THE ANANDA-BAG TEA COMPANY LIMITED

ANNEXURE 'D' TO DIRECTORS' REPORT

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L15492WB1920PLC005244
2.	Registration Date	30/03/1920
3.	Name of the Company	THE ANANDA-BAG TEA COMPANY LIMITED
4.	Category/Sub-category of the Company	PUBLIC LIMITED COMPANY
5.	Address of the Company Registered office & contact details	11E, EVEREST HOUSE, 46C, JAWAHARLAL NEHRU ROAD, KOLKATA- 700071
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	ABS CONSULTANT PVT. LTD. STEPHEN HOUSE, ROOM NO. 99, 6TH FLOOR, 4 B.B.D. BAG, KOLKATA - 700 001, PHONE: 2243-0153, 2220-1043, FAX: 2243-0153, EMAIL: absconsultant@vsnl.net

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

[illegible]

B. Public Shareholding									
1. Institutions		NIL							
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	35117	1250	35117	20.06%	35117	-	35117	20.06%	-
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	568	32782	33350	19.06%	568	32782	33350	19.06%	-
c) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(2):-	35685	32782	68467	19.06%	35685	32782	68467	19.06%	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	35685	32782	68467	19.06%	35685	32782	68467	19.06%	
C. Shares held by Custodian for GDRs & ADRs		NIL							
Grand Total (A+B+C)	119795	55265	175000	100%	119795	55205	175000	100%	-

ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Alka Chokhani	1000	0.57	-	1000	0.57		-
2	Anrita chokhani	1000	0.57	-	1000	0.57		-
3	Rajani Chokhani	1000	0.57	-	1000	0.57		-
4	Sadhana chokhani	1000	0.57	-	1000	0.57		-
5	Manju Chokhani	1065	0.61	-	1065	0.61		-
6	Atulit Chokhani	2000	1.14	-	2000	1.14		-
7	Apurv Chokhani	2130	1.22	-	2130	1.22		-
8	Vinod Kr. Chokhani	18021	10.30	-	18021	10.30		-
9	Niraj Chokhani	23564	13.47	-	23564	13.47		-
10	Ramesh Kr. Chokhani	22120	12.64	-	22120	12.64		-
11	Dilip Singh	11210	6.41	-	11210	6.41		-
12	Jayanti Kaur	11211	6.41	-	11211	6.41		-
13	Jayanti Kaur	11212	6.41		11212	6.41		
	Total :	106533	60.88		106533	60.88		

iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year (Name)				
	Mahadeobari Tea Co Pvt Ltd	33867	19.35		
	Niraj Chokhani	23564	13.47		
	Ramesh Kumar Chokhani	22120	12.64		
	Vinod Kumar Chokhani	18021	10.30		
	Jayanti Kaur	11212	6.41		
	Jayanti kaur	11212	6.41		
	Dilip Singh	11210	6.41		
	Mousumi Devi Kaur	11210	6.41		
	Keshlata Bymra	5250	3.00		
	Keshalata Bymra	5250	3.00		
	Date wise Increase / decrease in Promoter Shareholding during the year specifying the reasons fo increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc):	NO TRANSACTION			
	At the end of the year (or) on the date of separation , if separated during the year)	NO TRANSACTION			

v. Shareholding of Directors and Key Managerial Personnel:

SL	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the	
		No. of shares	% of total shares of the company	shares	% of total shares of the company
	At the beginning of the year (Name)				
	Niraj Chokhani	23564	13.47		
	Vinod Kumar Chokhani	18021	10.30		
	Ramesh Kumar Chokhani	22120	12.64	NO TRANSACTION	
	Dilip Singh	11210	6.41		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc.):	NO TRANSACTION			
	At the end of the year	SAME AS BEGINNING OF THE YEAR			

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the financial year				
'i) Principal Amount (Working Capital)	77897294	8003,557	-----	85900851
'ii) Interest due but not paid				
'iii) Interest accrued but not due				
Total (i+ii+iii)	77897294	8003557	-----	85900851

Change in Indebtedness during the financial year <ul style="list-style-type: none"> Addition Reduction 	4284249	8003557	-----	12287806
Net Change	4284249	8003557	-----	12287806
Indebtedness at the end of the financial year 'i) Principal Amount(Working Capital) 'ii) Interest due but not paid 'iii) Interest accrued but not due	77897294	8003557	-----	85900851
Total (i+ii+iii)	77897294	8003557	-----	85900851

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Whole-time Directors :

SN.	Particulars of Remuneration	Name of WTD				Total Amount
		Niraj Chokhani				-
1	Gross salary					1170000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					82769.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	----				
2	Stock Option	----				
3	Sweat Equity	----				
4	Commission - as % of profit - others, specify...	----				
5	Others, please specify	----				
	Total (A)					12,52,769.00
	Ceiling as per the Act					

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Director				Total Amount
1	Independent Directors	Nikhil Chokhani	Aparna Lohia			
	Fee for attending board committee meetings	12500.00	12500.00			25,000.00
	Commission					
	Others, please specify					
	Total (2)	12500.00	12500.00			25,000.00
2	Other Non-Executive Directors	Dilip Singh				
	Fee for attending board committee meetings					12,500.00
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					12,500.00
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO Biswajit Paul	Total
1	Gross salary	-----	-----	745160.00	745160.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	-----	-----	48300.00	48300.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission as % of profit others, specify				
5	Others, please specify				
	Total				793460.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:				NOT APPLICABLE	
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD /NCLT / Court]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

THE ANANDA-BAG TEA COMPANY LIMITED

ANNEXURE 'E' TO DIRECTORS REPORT

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Details of Contract or arrangement or transactions at Arm's Length Price

S/No.	Name of the related Party & Nature of Relationship	Duration on contract	Salient terms	Date of Approval of Board	Total Amount
1.	Chokhani Tea & Tea Seed Estate (The KMP of company has significant influence)	Yearly	Bill/Payment against delivery	30.05.2019 14.08.2019 16.09.2019 15.11.2019 14.02.2020	44,711,021.00

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ANANDA-BAG TEA COMPANY LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of The Ananda-Bag Tea Company **Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and 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 a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and subject to our paragraph below, and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

No provision has been made in respect of the year end accrued gratuity liability of Rs.32,44,973/-. This Accounting treatment is not in keeping with the IND AS 19. This is indicated in Note 27.3.b Had the impact of the observation made by us been considered, the net debit balance in the Statement of Profit and Loss would have been Rs31,467,574/- (as against the reported figure of debit balance of Rs.28,222,601/-) and year-end current liabilities would have been Rs...4,693,459/-(as against the reported figure of Rs. 1,448,486/-)

Emphasis of Matter

We draw attention to Note 29.3.d of the Ind AS Financial Statements which describes the extent to which the COVID-19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

Other matters

Our opinion on the Ind As Financial Statements and our report on Other legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1.As required by Section 143(3) of the Act, we report, to the extent applicable 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 it appears from our examination of those books.

(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.

(d) In our opinion, the aforesaid Ind AS Financial Statements subject to non-provision of year-end gratuity Rs. 32,44,973/- 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 A". 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its Financial Statement ;
 - ii. The Company does 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For K. RAY & CO.
Chartered Accountants
(Firm Registration No. 312142E)

SD/- **Supratim Roychoudhury**
(Partner)
(Membership No. 066040)

Kolkata, 30th January, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 The Ananda Bag Tea Company Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 details, 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 Ind AS 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 Ind AS 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.

Opinion

In our opinion, 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 31st March, 2020, 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.

For K. RAY & CO.

Chartered Accountants
(Firm Registration No. 312142E)

SD/- **Supratim Roychoudhury**

(Partner)

(Membership No. 066040)

Kolkata, 30th January, 2021

Annexure “B” referred to in Paragraph 2 of our Report of even date to the Members of THE ANANDA-BAG TEA COMPANY LIMITED on the accounts of the company for the year ended 31st March, 2020

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of immovable properties of the Company are in the name of the Company.
- 2.(a) The inventory of the Company at all its locations has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and the same have been properly dealt with in the books of account.
3. The Company has not granted during the year any secured or an unsecured loan to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
4. According to the information the Company has not given any loan, made any investment, given any guarantee and provided any security within the meaning of Section 185 and 186 of the Act.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under.
6. The Central Government has not specified the maintenance of cost records under sub – section (1) of section 148 of the Act.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable have been regularly deposited by the Company during the year with the appropriate authorities. There is no arrear statutory dues outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues in respect of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax at 31st March, 2020, which have not been deposited on account of any dispute.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or banks or government. The Company had neither any outstanding debentures at the beginning of the year nor has it issued any debentures during the year.
9. According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised money by way of initial public offer or further public offer (including debt instrument) and term loans.
10. According to the information and explanations given to us and the records of the Company examined by us, we have not noticed any fraud by the Company or any fraud on the Company by its officers or employees during the year.
11. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. The Company is not a Nidhi Company and accordingly the Nidhi Rules 2014 are not applicable to the Company.
13. According to the information and explanations given to us and the records of the Company examined by us, all transaction with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements as required by applicable Accounting Standards.

14. According to the records of the Company examined by us and the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the records of the Company examined by us and the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him.
16. According to the records of the Company examined by us and the information and explanation given to us, the Company is not required to be registered under section 45 – 1A of the Reserve Bank of India Act, 1934.

For K. RAY & CO.

Chartered Accountants
(Firm Registration No. 312142E)

SD/- **Supratim Roychoudhury**

(Partner)

(Membership No. 066040)

Kolkata, 30th January, 2021

THE ANANDA-BAG TEA COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH,2020



	Notes	Rs As at 31st March 2020	Rs As at 31st March 2019
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	5	197,590,147	190,957,837
(b) Capital work-in-progress	5	1,450,050	3,200,509
(c) Financial assets			
(i) Investments	6	167,120	266,967
Current Assets			
(a) Biological Assets other than bearer plants	7	2,704,020	10,380,744
(b) Inventories	8	40,644,147	62,823,625
(c) Financial assets			
(i) Trade Receivables	9	22,053,596	18,423,904
(ii) Cash and Cash Equivalents	10	10,339,018	4,464,272
(iii) Other Bank balances	11	226,805	4,532,107
(iv) Other Financial assets	12	9,312,068	41,931,487
(d) Other assets	13	33,816,462	11,799,404
Total Assets		318,303,433	335,688,661
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	14	1,750,000	1,750,000
(b) Other equity			
(i) Reserves and surplus		214,617,030	242,839,631
(ii) Other Comprehensive Income:			
Diminution in the value of investments		(1,977,313)	214,389,717
			(1,877,466)
Liabilities			
Non-current liabilities			
(a) Deferred tax liabilities (Net)	15	(8,316,814)	(6,944,341)
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings		77,897,295	73,613,045
Secured Loan - Working capital facilities from Union Bank of India (secured by way of first charge on the standing crop.Tea in process and finished tea in the garden of the company,at the godown , lying with auctioner or elsewhere and all the fixed assets of the company)			
Unsecured Loan		8,003,557	
(ii) Trade Payable	16	9,491,352	8,031,955
(iii) Other Financial liabilities	17	8,810,782	104,202,986
(b) Other current liabilities	18	1,448,486	9,120,678
(c) Provisions	19	6,579,058	90,765,678
Total Equity and Liabilities		318,303,433	335,688,661

Significant Accounting Policies
Notes on Financial Statements

1 to 32

As per our Report of even date.

The Notes referred to above form an integral part
of the Balance Sheet.

Nilu Nigania
Company Secretary

For, K. RAY & CO.
Chartered Accountants
Firm Registration No: 312142E

Niraj Chokhani
Managing Director

Biswajit paul
Chief Financial Officer

Supratim Roychoudhury
Partner

Vinod Chokhani
Director

Ramesh Chokhani
Director

Dilip Sing
Director

Kolkata 30th,January,2021

Membership No. 066040

THE ANANDA-BAG TEA COMPANY LIMITED



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

	Note	2020 Rs.	2019 Rs.
INCOME			
Revenue from Operation		249,399,548	217,989,699
Other Income	20	9,709,012	17,537,709
Total Revenue		259,108,560	235,527,408
Less : EXPENDITURE			
Cost of Materials Consumed	21	44,785,940	49,490,367
Purchase of Stock-in-Trade	22	52,125,322	50,453,420
Changes in Inventories of Finished Goods			
Stock-in-Process and Stock-in-Trade	23	23,313,960	5,473,705
Employee Benefits Expense	24	77,386,255	74,580,371
Finance Costs	25	9,669,237	6,276,543
Depreciation and Amortisation Expense	5	7,837,322	7,358,687
Other Expenses	26	73,585,598	81,892,007
Total Expenses		288,703,634	275,525,100
Profit Before Tax		(29,595,074)	(39,997,692)
Tax Expenses			
Current Tax		-	-
Deferred Tax-(Release)/Charge		(1,372,473)	(6,961,900)
Taxation Adjustments Relating to- Earlier Year.		-	122,108
Profit/(Loss) for the year		(28,222,601)	(33,157,900)
Other Comprehensive Income			
(i) Diminution in the value of investments		(1,977,313)	(1,877,466)
Total Other Comprehensive Income		(30,199,914)	(35,035,366)
Total Comprehensive Income for the year			
Earnings Per Ordinary Share of `10/- each			
Basic and Diluted	27.2	(161)	(189)
Significant Accounting Policies			
Notes on Financial Statements	1 to 32		

As per our Report of even date.

The Notes referred to above form an integral part of the Profit and Loss Account.

For, K. RAY & CO.

Nilu Nigania
Company Secretary

Chartered Accountants
Firm Registration No: 312142E

Niraj Chokhani
Managing Director

Biswajit paul
Chief Financial Officer

Supratim Roychoudhury
Partner
Membership No. 066040

Vinod Chokhani
Director

Ramesh Chokhani
Director

Dilip Sing
Director

Kolkata 30th, January, 2021

THE ANANDA-BAG TEA COMPANY LTD.**Statement of changes in equity for the Year ended 31st March, 2020**

	As at 31st March 2020		As at 31st March 2019	
	Rs.	Rs.	Rs.	Rs.
A. EQUITY SHARE CAPITAL				
Balance at the beginning of the reporting period		1,750,000		1,750,000
Changes in equity share capital during the year		-		-
Balance at the end of the reporting period		1,750,000		1,750,000

* Also refer note 14

B. OTHER EQUITY

Capital Reserve:				
As per Last Account		3,800.00		3,800
General Reserve:				
As per last Balance Sheet	83,826,093		116,983,993	
Retain earning (Bearer Plant)	159,009,738		159,009,738	
Add: Transferred from -				
Statement of Profit and Loss	(28,222,601)	214,613,230	(33,157,900)	242,835,831
Statement of Profit and Loss				
Profit/(Loss) for the year	(28,222,601.01)		(33,157,900)	
Transferred to General Reserve	(28,222,601)		(33,157,900)	
		214,617,030		242,839,631

THE ANANDA-BAG TEA COMPANY LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	<u>2020</u> Rs.	<u>2019</u> Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	(29595074)	(39997692)
Adjustment for:		
Depreciation	7837322	7358687
(Profit)/Loss on Sale of Fixed Assets	91718	205693
(Profit)/Loss on Sale of Investments	-	-
Dividend Income	(4200)	(6370)
Interest (Net)	9422849	5806032
Changes in fair value of biological assets	7676723	6583896
	<u>25024412</u>	<u>19947938</u>
Operating Profit / (Loss) before Working Capital Changes	(4570662)	(20049754)
Adjustment for:		
Trade and Other Receivables	(4306194)	(2356116)
Inventories	22179478	2783394
Trade and Other Payables	<u>71707</u>	<u>5305535</u>
	<u>17944991</u>	<u>5732813</u>
Cash Generated from Operations	13374329	(14316941)
Direct taxes (paid)/refunds received	<u>(2264575)</u>	<u>(1372988)</u>
Net Cash from Operating Activities..... A	<u><u>11109754</u></u>	<u><u>(15689929)</u></u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(13216292)	(18292366)
Sale of Fixed Assets	405401	417000
Purchase of Investments	-	-
Sale of Investments	-	-
Inter-Corporate Deposits Received/(Given)	8003557	-
Interest Received	697631	398818
Dividend Received	<u>4200</u>	<u>6370</u>
Net Cash used in Investing Activities..... B	<u><u>(4105503)</u></u>	<u><u>(17470178)</u></u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid (including Dividend Distribution Tax)	(49820)	(16790)
Interest Paid	(9669237)	(6276543)
Proceeds from Borrowings	<u>4284250</u>	<u>34665244</u>
Net Cash used in Financing Activities..... C	<u><u>(5434807)</u></u>	<u><u>28371911</u></u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u><u>1569444</u></u>	<u><u>(4788196)</u></u>
Cash and Cash Equivalents as on 31st March, 2019	8996379	13784575
Cash and Cash Equivalents as on 31st March, 2020	<u><u>10565823</u></u>	<u><u>8996379</u></u>
	<u><u>1569444</u></u>	<u><u>(4788196)</u></u>

As Per our Report of even date.

K.RAY & CO.

Chartered Accountants

Firm Registration No. 312142E

For and on behalf of the Board

Nilu Nigania
Company Secretary
Biswajit Paul
Chief Financial Officer

Niraj Chokhani
Managing Director

Supratim Roychoudhury
Partner
Membership No.066040

Vinod Chokhani Ramesh Chokhani Dilip Singh
Director Director Director

Kolkata 30th, January, 2021.

1. Company Overview

The Ananda-Bag Tea Company Limited is engaged in the cultivation, manufacture and trading of tea. The Company operates with one tea estate in Assam and sells bulk tea both in domestic and international markets. The company has got a presence in Packet Tea in domestic market through its distributors. The Company is a listed company in the Calcutta Stock Exchange (CSE).

2. Statement of Compliance

These financial statements, for the year ended 31st March 2020, have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules 2016.

3. Significant Accounting Policies**A. Basis of Preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain items which are measured at fair value at the end of each reporting period, as explained in the accounting policies given below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

B. Operating Cycle

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.

C. Property, Plant & Equipment**(i) Tangible Assets (Other than Bearer Plants)**

Property, Plant & Equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost is inclusive of incidental expenses related to acquisition. Borrowing costs attributable to the construction or production of qualifying assets are capitalized. Expenses for the repair of property, plant and equipment are charged against income when incurred.

Land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, are on the same basis as other property assets, and commences when the assets are ready for their intended use.

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 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 the sales proceeds and the carrying amount of the asset and is recognized in profit or loss. The estimated useful lives are also as specified in Schedule II of the Companies Act, 2013.

Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets less its residual value, over their useful lives on a straight line basis.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for on a prospective basis.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment (other than bearer plants) recognised as of 1st April, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost.

(ii) Bearer Plants

Bearer plants comprising of mature tea bushes and shade trees are stated at cost less accumulated depreciation and accumulated impairment losses.

Immature bearer plants, 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. Immatured bearer plants expenditure incurred on them for five years are treated in the financial statements as Biological Assets **(Note:7)** On maturity, these costs are classified under bearer plants. Depreciation of bearer plants commence on maturity.

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.

Depreciation on bearer plants is recognised so as to write off its cost over useful lives, using the straight-line method. The estimated useful lives, 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 lives of the bearer plants has been determined to be 50 years. On transaiton to Ind AS, the Company has recognised bearer plants for the first time at fair value as of 1st April, 2016 and used the fair value as deemed cost.

D.Impairment of Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible (Bearer Plant) assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If impairment is no longer justified in future periods due to a recovery in assets' fair value or value in use, the impairment reserve is reversed.

E. Biological Assets

Biological assets of the Company represent the young plant which are under progress and will be converted into Bearer Plants after the expiry of five years when they yield as matured tea (capitalised).

F. Inventories

Inventories are stated at the lower of cost and net realisable value. Finished goods produced from agricultural produce are valued at lower of cost arrived at by adding the cost of conversion to the fair value of agricultural produce and the net realizable value. Net realizable value represents the estimated selling price for inventories less all selling costs.

Provision is made for obsolete, slow moving and defective inventories, whenever necessary.

G. Foreign Currency Transactions

The presentation currency of the Company is Indian Rupees. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Monetary transactions remaining unsettled are translated at the rate of exchange ruling at the end of the year. Exchange gain or loss arising on settlement/translation is recognised in the Statement of Profit and Loss.

H. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

(i) Financial Assets**Recognition and Classification**

The financial assets are classified at initial recognition in the following measurement categories as:

- those subsequently measured at amortised cost.
- those to be subsequently measured at fair value [either through other comprehensive income (OCI), or through profit or loss]

(ii) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities are classified, at initial recognition, as subsequently measured at amortized cost unless they fulfill the requirement of measurement at fair value through profit or loss. Where the financial liability has been measured at amortised cost, the difference between the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit and loss over the contractual terms using the effective interest rate method. Financial liabilities at fair value through profit or loss are carried at fair value with changes in fair value recognized in the finance income or finance cost in the statement of profit or loss.

(iii) Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

I.Revenue from sale of products

Revenue is measured at the fair value of the consideration received or receivable and is net off returns and discounts.

Revenue from the sale of goods includes duties which the Company pays as principal but excludes amounts collected on behalf of third parties,

Revenue from the sales of goods is recognised in the income statement when the goods are delivered to customers for domestic sales or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer.

J.Employee Benefits

The Company operates defined contribution schemes like Provident Fund. The Company makes regular contribution to provident funds which are fully funded and administered by Government and are independent of Company's finance. Contributions are recognized in Statement of Profit and Loss on an accrual basis.

Defined Benefit Gratuity Plan is maintained by the company for all its eligible employees. The Company contributes to the such fund on the basis of actuarial valuation at the end of each year the gratuity fund is administered by the Trustees and is independent of the Company's finance.

Annual contribution determined as payable in the actuarial valuation report is contributed. Gain or Loss on account of remeasurements are recognised immediately through Other Comprehensive Income in the period in which they occur.

K.Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the statement of profit and loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

L.Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

4.Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimating uncertainty as at the balance sheet date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

A. Useful lives of property, plant and equipment

The Company has adopted the useful lives as specified in Schedule II of the Companies Act, 2013 for property, plant and equipment other than for bearer plants. For bearer plants, it has determined the useful life to be 50 years. The Company reviews the estimated useful lives at the end of each reporting period. Such useful lives depend upon various factors such as usage, maintenance practices etc. and can involve estimation uncertainty. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges

could be revised. The carrying amount of the Company's Property, Plant and Equipment at the balance sheet date is disclosed in Note:5 to the financial statements.

B. Impairment of property, plant and equipment

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset.

C. Fair value measurements and valuation processes

Some of the Company's assets are measured at fair value for financial reporting purposes. Significant estimates are used in fair valuation of Bearer Plants and biological assets. For bearer plants, the Company has used fair value as determined by third party qualified valuer.

D. Employee Defined Benefit Plans

The determination of Company's liability towards defined benefit obligations to employees is made through independent actuarial valuation. Such valuation depends upon assumptions determined after taking into account inflation, promotion and other relevant factors such as supply and demand factors in the employment market. Reference may please be made to **Note 27.3b**.

THE ANANDA-BAG TEA COMPANY LTD.**Notes on Financial Statements for the Year ended 31st March, 2020****5. Property, Plant and Equipment****(Rs.)**

NAME OF ASSETS	COST				DEPRECIATION				NET BLOCK	
	As at 1st April 2019	Addition during the year	Deduction / Adjustment during the year	Balance as at 31st. March, 2020	Balance as at 31st. March, 2019	For the year	on Sales/Adjustments during the year	Balance as at 31st. March, 2020	Net Book Value as at 31st March 2020	Net Book Value as at 31st March 2019
TANGIBLE ASSETS										
Land	3,766,468	-		3,766,468	-	-		-	3,766,468	3,766,468
Land: Leasehold	54,694	-		54,694	-	-		-	54,694	54,694
Development	360,189	-		360,189	-	-		-	360,189	360,189
Extension of New Bush	-	-	-	-	-	-		-	-	-
Buildings - RCC Frame	4,745,682	-		4,745,682	505,292	94,219		599,511	4,146,171	4,240,390
Buildings - Factory and Others	14,759,357	-		14,759,357	5,855,425	471,180		6,326,605	8,432,752	8,903,932
Labourer's Houses	6,113,151	-		6,113,151	3,747,310	249,040		3,996,350	2,116,801	2,365,841
Motor Car, Lorries and Mechanical Vehicles	8,670,272	2,085,435	1,049,500	9,706,207	4,813,390	734,317	552,381	4,995,326	4,710,881	3,856,882
Plant and Machinery (Note: 1)	35,326,090	4,465,146	-	39,791,236	19,227,402	2,426,912	-	21,654,314	18,136,922	16,098,688
Electrical Installations	4,701,737	-		4,701,737	1,958,110	343,368	-	2,301,478	2,400,259	2,743,627
Furniture and Fixtures	7,398,686	-		7,398,686	4,736,657	537,465	-	5,274,122	2,124,564	2,662,029
Office Equipment	6,867,522	21,875	-	6,889,397	6,260,354	202,376	-	6,462,730	426,667	607,167
Water Supply	234,098	-		234,098	226,375	-	-	226,375	7,723	7,723
Bearer Plant	150,470,604	8,394,295	-	158,864,899	5,180,398	2,778,445		7,958,843	150,906,056	145,290,206
TOTAL	243,468,550	14,966,751	1,049,500	257,385,801	52,510,713	7,837,322	552,381.00	59,795,654	197,590,147	190,957,837
2019	230,563,318	15,770,715	2,865,483	243,468,550	47,394,816	7,358,687	2,242,790	52,510,713	190,957,837	-
Capital Work-in-Progress	3,200,509	1,450,050	3,200,509	1,450,050	-	-	-	-	1,450,050.03	-

Notes:

1 Cost of Machinery includes Rs.17,00,094/- for assets jointly owned with other companies.

THE ANANDA-BAG TEA COMPANY LTD.**Notes on Financial Statements for the Year ended 31st March, 2020**

	As at 31st March, 2020 Rs.	As at 31st March, 2019 Rs.
6. NON CURRENT INVESTMENT (at cost unless otherwise specified)		
OTHER THAN TRADE:		
Unquoted (Fully paid except otherwise stated)		
I. IN DEBENTURES		
Woodland Hospital & Medical Research Centre Ltd. Rs.500/- Non-redeemable 5% Regd. Mortgage Debenture Stock 1957	500	500
Sillong Club Ltd. Rs.400/- 5% 10 Year Redeemable Debenture (Matured in 1977- at below Cost)	1	1
II. IN EQUITY SHARE		
ABC Tea Workers Welfare Services Ltd. 150 Equity Share of Rs.10/- each	1,500	1,500
	<u>2,001</u>	<u>2,001</u>
Quoted (Fully paid except otherwise stated)		
IN DEBENTURES		
NTPC Ltd. 1,000 Rs.12.50, 8.49%Non Convertible Debenture	-	-
INEQUITY SHARES		
Agro Chem Punjab Ltd. * 1,500 Equity Shares of Rs.10/- each	118,500	118,500
ATV Project India Ltd. 1,500 Equity Shares of Rs.10/- each	118,500	118,500
Indian Maize And Chemicals Ltd. * 2,405 Equity Shares of Rs.10/- each	45,805	45,805
3I Infotech Ltd. 1,500 Equity Share of Rs.10/- each.	227,410	227,410
Nagarjuna Fertilizers & Chemicals Ltd. 3,410 Equity Share of Re.1/- each.	114,022	114,022
Nagarjuna Oil Refinery Ltd. 3,100 Equity Share of Re.1/- each.	103,650	103,650
Micro Technologies (India) Ltd. * 4,000 Equity Share of Rs.10/- each.	733,898	733,898
Jindal Steel & Power Ltd. 300 Equity Share of Re.1/- each.	149,657	149,657
NTPC Ltd. 1,200 (2018-1000)Equity Share of Rs.10/- each.	268,413	268,413
Kingfisher Airlines Ltd. * 1,000 Equity Share of Rs.10/- each.	262,577	262,577
	<u>2,142,432</u>	<u>2,142,432</u>
	<u>2,144,433</u>	<u>2,144,433</u>
Less: Diminution in the value of investments	<u>1,977,313</u>	<u>1,877,466</u>
	<u>167,120</u>	<u>266,967</u>
Notes:		
1. Aggregate Book Value of Investment in shares, etc.		
Quoted	2,142,432	2,142,432
Unquoted	2,001	2,001
	<u>2,144,433</u>	<u>2,144,433</u>
	No.of Share	No.of Share
2. Aggregate Market Value of Quoted Investments	165,119	264,966
(* Taken at Re 1/- for each Company as Quotations. not being available)		

THE ANANDA-BAG TEA COMPANY LTD.**Notes on Financial Statements for the Year ended 31st March, 2020**

	As at 31st March, 2020	As at 31st March, 2019
	Rs.	Rs.
7. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS		
	10,380,744	16,964,640
As at Opening date	717,570	1,422,696
Increase due to purchase / physical changes	(8,394,294)	(8,006,592)
Decreases due to harvest / physical changes (transfer to PPE)	<u>2,704,020</u>	<u>10,380,744</u>
8. INVENTORIES		
(At cost or under)		
Finished goods	25,010,565	48,324,526
Packing Materials	8,200,502	8,646,254
Stores and Spare Parts	7,433,080	5,852,845
	<u>40,644,147</u>	<u>62,823,625</u>
9. TRADE RECEIVABLE		
Debts		
Considered Good	22,053,596	18,423,904
	<u>22,053,596</u>	<u>18,423,904</u>
Age analysis of above Trade Receivable :-		
Period		
0-30 Days	2,268,731	947,842
31-60 Days	1,769,428	1,215,394
61-90 Days	1,559,511	2,985,834
91-120 Days	1,334,758	1,139,809
120-1 Year	1,296,935	2,211,899
Above 1 Year	13,824,233	9,923,126
	<u>22,053,596</u>	<u>18,423,904</u>

Notes :

In the opinion of the management the above debts have been considered as good and recoverable as the debts which are old for one year or more are mostly retention money for government supplies takes more than a year to realise the debts after complying the required formalities at various stages. No provision is considered necessary at this stage

THE ANANDA-BAG TEA COMPANY LTD.**Notes on Financial Statements for the Year ended 31st March, 2020**

	As at 31st March, 2020	As at 31st March, 2019
	Rs.	Rs.
10 CASH AND CASH EQUIVALENTS		
Balances with Banks		
On Current Account	4,378,536	1,783,087
Cash in hand	5,960,482	2,681,185
	<u>10,339,018</u>	<u>4,464,272</u>
11 OTHER BANK BALANCES		
On Deposit Account (Including against-		
- issue of Bank Guarantees Rs.192,870/-)	160,370	4,415,852
On Unpaid Dividend	66,435	116,255
	<u>226,805</u>	<u>4,532,107</u>
12 OTHER FINANCIAL ASSETS		
Other Financial assets		
Deposit with National Bank for Agriculture & Rural Development under Tea developm- ent Account	8,260	8,260
Other Deposits	8,831,097	10,431,838
Interest Accrued on Deposits	18,065	493,841
Other Receivables	454,646	865,465
	<u>9,312,068</u>	<u>11,799,404</u>
13 OTHER ASSETS (Current)		
Advances to suppliers other than cpatal advances	338,318	519,318
Security Deposits	487,540	487,540
Advance Tax (net of provision)	4,178,265	1,889,157
Advance Fringe Benefit Tax (net of provision)	33,990	33,990
Advances to related parties (Note:28)	17,298,728	13,307,069
Other Advances (including advances with statutory authorities, prepaid expenses,employees etc.)	11,479,621	12,602,218
	<u>33,816,462</u>	<u>28,839,292</u>

THE ANANDA-BAG TEA COMPANY LTD.**Notes on Financial Statements for the Year ended 31st March, 2020**

	<u>As at 31st March, 2020 Rs.</u>	<u>As at 31st March, 2019 Rs.</u>
14. SHARE CAPITAL		
Authorised		
200,000 Ordinary Share of ` 10/- each	<u>2,000,000</u>	<u>2,000,000</u>
Issued, Subscribed and Paidup:		
175,000 Ordinary Share of ` 10/- each	<u>1,750,000</u>	<u>1,750,000</u>

a. The Company has only one class of ordinary shares having a par value of Rs.10/- per share. Each holder of ordinary share is entitled to one vote per share. Declaration of dividend in Indian Rupees is dependent on availability of distributable profit and is to be proposed by the Board of Directors and subject to the approval of the Shareholders in the Annual General Meeting.

b. The details of Shareholders holding more than 5% share:

<u>Name of the Shareholders</u>	<u>% held</u>	<u>No. of Shares</u>	<u>% held</u>	<u>No. of Shares</u>
Vinod Kumar Chokhani	10.30	18,021	10.30	18,021
Ramesh Kumar Chokhani	12.64	22,120	12.64	22,120
Niraj Chokhani	13.47	23,564	13.47	23,564
Keshalata Bymra	5.86	10,250	5.86	10,250
Mousumi Devi Kaur	6.41	11,210	6.41	11,210
Dilip Singh	6.41	11,210	6.41	11,210
Jayanti Kaur	12.82	22,423	12.82	22,423
Mahadeobari Tea Company Pvt. Ltd.	19.35	33,867	19.35	33,867

THE ANANDA-BAG TEA COMPANY LTD.**Notes on Financial Statements for the Year ended 31st March, 2020**

	As at 31st March, 2020	As at 31st March, 2019
	Rs.	Rs.
15 DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liabilities		
Difference between net book value of depreciable fixed assets as per books vis-à-vis written down value as per Income Tax Act	1,956,639	1,999,683
Deferred Tax Assets		
Items under the Income Tax Act which will be allowed on actual- payment	1,868,452	2,233,660
On Business Loss	8,405,001	6,710,364
Net Deferred Tax Liabilities	<u>(8,316,814)</u>	<u>(6,944,341)</u>
16 TRADE PAYABLES		
Trade Payables for supplies	8,512,788	6,787,582
Trade Payables for employees	978,564	1,244,373
	<u>9,491,352</u>	<u>8,031,955</u>
17 OTHER FINANCIAL LIABILITIES		
Deposits	1,075,841	2,320,983
Unclaimed Dividend	66,435	116,255
Other Payables	7,668,506	6,683,440
	<u>8,810,782</u>	<u>9,120,678</u>
18 OTHER CURRENT LIABILITIES		
Statutory Tax liabilities	338,057	164,904
Advance received from customers	1,110,429	1,125,254
	<u>1,448,486</u>	<u>1,290,158</u>
19 PROVISIONS		
Provision for employees' benefits	6,579,058	7,865,000
	<u>6,579,058</u>	<u>7,865,000</u>

THE ANANDA-BAG TEA COMPANY LTD.**Notes on Financial Statements for the Year ended 31st March, 2020**

	2020	2019
	Rs.	Rs.
20. OTHER INCOME		
Interest		
-on Bank Deposit	245,327	469,453
-on Debenture	1,061	1,058
Income from Dividend		
- on Long Term Investment	4,200	6,370
Export Duty Drawback	68,071	39,303
Sale of Import Licence	1,559,634	4,501,637
Sale of Tea Waste	1,066,296	-
Rent Received (Note:31)	6,764,423	11,857,444
Miscellaneous Receipts (Note 32)	-	662,444
	<u>9,709,012</u>	<u>17,537,709</u>
21. COST OF MATERIALS CONSUMED		
Purchase of Green Leaf	44,785,940	49,490,367
	<u>44,785,940</u>	<u>49,490,367</u>
22. PURCHASE OF STOCK-IN-TRADE		
Purchase of Black Tea	52,125,322	50,453,420
	<u>52,125,322</u>	<u>50,453,420</u>
23. STOCK-IN-PROCESS AND STOCK-IN-TRADE		
Opening Stock :	48,324,525	53,798,230
Closing Stock :	25,010,565	48,324,525
	<u>23,313,960</u>	<u>5,473,705</u>
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	65,551,574	62,320,925
Contribution to Provident and other Funds (Note:27.3)	4,554,438	5,097,519
Staff Welfare Expenses	5,989,974	5,912,272
Managerial remuneration	1,290,269	1,249,655
	<u>77,386,255</u>	<u>74,580,371</u>
25. FINANCE COSTS		
Interest on Borrowing	9,326,869	6,104,194
Other Interest Expenses	342,368	172,349
	<u>9,669,237</u>	<u>6,276,543</u>

THE ANANDA-BAG TEA COMPANY LTD.**Notes on Financial Statements for the Year ended 31st March, 2020**

	2020	2019
	Rs.	Rs.
26. OTHER EXPENSES		
Freight and Charges on Tea	4,609,192	5,324,193
Repairs - Building	4,007,405	4,128,266
- Machinery	1,971,899	1,713,735
- Others	1,046,074	956,429
Vehicles Up-keep	2,649,433	3,042,437
Power and Fuel	11,110,470	11,348,444
Rates and Taxes (Including Assam Green Leaf) (Cess Rs. NIL-;2019 Rs.777,630/-)	451,614	2,802,794
Stores and Spare Parts consumed (all indigenous)	16,345,979	19,382,589
Professional and Legal Expenses	1,069,369	1,471,542
Miscellaneous Expenses	4,196,614	4,134,856
Travelling Expenses	1,689,324	2,444,677
Uprooting and Replanting	703,482	496,353
Insurance	1,017,334	1,385,389
Auditors' Remuneration:		
As Auditor		
Tax Audit		
Other Matters		
Reimbursement of Expenses.	85,250	85,880
Rent Paid (Note:31)	3,473,802	11,379,187
Loss on Sale of Assets	91,718	205,693
Sales Promotional Expenses	1,600,286	2,173,939
Sales Charges	16,024,678	7,084,945
Analysis Fees Expenses	224,430	599,376
Bank Charges	390,881	883,700
Telephone Expenses	432,592	499,967
Printing & Stationary Expenses	393,772	347,616
	73,585,598	81,892,007

27. Additional Notes to the Financial Statements

27.1 Contingent liabilities and commitments :

Contingent liabilities

Claims against the Company not acknowledged as debts:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Bank Guarantee	142,870/-	213,96,652/-
Sales Tax Matters	50,000/-	50,000/-
Income Tax Matters	5,750,170/-	-

27.2 Earnings per share

	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Earnings per share has been Computed as under :		
(a) Profit/(Loss) for the year	(28,222,601)	(33,157,900)
(b) Weighted average number of Ordinary shares outstanding for the purpose of basis/diluted earnings per share(Nos)	175,000	175,000
(c) Earning per share on profit (loss) for the year/period (Face Value Rs.10.00 per share)		
- Basic and Diluted [(a)/(b)] (Rs.)	(161.27)	(189.47)

27.3 Employee Benefit Plans:

(a) Defined Contribution Plans

The Company operates defined contribution schemes for provident fund to the Provident Fund constituted by the Government of India for all qualifying employees. For this scheme, contributions are made by the Company, based on current salaries . The Company does not have any liability towards Provident Fund to the employees apart from its contribution.

An amount of Rs. 3,582,391/- (2018 – Rs.3,161,164/-) has been charged to the Statement of Profit and Loss on account of defined contribution schemes.

(b) Defined Benefit Plans

The Company also operates defined benefit schemes in respect of gratuity, towards its employees. This scheme offers specified benefits to the employees on retirement. The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method as at year end. The Company makes contributions to this Employee Benefit Plan.

Gratuity Benefits are funded. The fund is administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes.

The Company has Group Gratuity Scheme with Birla Sun Life Insurance Company Limited for payment of gratuity to its employees and accordingly the company has actuarially valued the net gratuity liability as at 31st March, 2020 amounting to Rs.3,244,973/- which is yet to be provided / funded . The necessary disclosure as made by actuary is as under. The gratuity fund is managed by a Fund Manager, Birla Sun Life Insurance Company Ltd.

Disclosure relating to Employee Benefit –Gratuity

	2020	2019
	Rs.	Rs.
<u>Statement of Charges in Present Value of Obligations</u>		
Present Value of Obligations at the beginning of the year	20,691,679	20,933,984
Interest Cost	1,485,036	1,554,131
Current Service Cost	870,337	1,027,658
Past Service (Amendments)	-	-
Benefits paid	(1,782,804)	(1,500,932)
Actuarial gain/loss	2,590,022	1,323,162
Present Value of obligation	23,854,670	20,691,679

Statement of Charges in Fair Value of Plan Assets

Fair Value of Plan Asset at the beginning of the year	19,623,207	17,726,078
Contributions	1,000,000	2,000,000
Benefits Paid	(1,782,404)	(1,500,932)
Returned on Plan Assets(Net)	1,768,894	1,398,061
Fair Value of Plan Assets	20,609,697	19,623,207

	<u>2020</u> Rs.	<u>2019</u> Rs
<u>Statement of Liability to the Fund</u>		
Present Value of obligation at the year end	23,854,670	20,691,679
Fair value of Plan Asset at the year end	20,609,697	19,623,207
Net Liability to the Fund	3,244,973	1,068,472

Expenses for the year

Current Service Cost	870,337	1,027,658
Past Service Cost	-	-
Interest Cost	42,635	170,009
Actuarial gain/loss recognized in the year	-	-
Expenses for the year	912,973	1,197,667

Statement of reconciliation of Assets and Liabilities

Funded Status	3,244,973	1,068,472
Fund Assets	20,609,697	19,623,207
Fund Liability	23,854,670	20,691,679

Statement showing Actuarial Assumptions

Mortality Table	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Superannuation Age	60	60
Early Retirement & Disablement	10 Per Thousand p.a. 6 above age 45 3 between 29 and 45 1 below age 29	10 Per Thousand p.a. 6 above age 45 3 between 29 and 45 1 below age 29
Discount Rate	6.70% p.a.	7.50% p.a.
Inflation Rate	6.00%	6.00%
Return on Asset	7.70%	7.70%
Remaining Working Life	14	14
Average duration of liabilities	14	14
Attrition Rate	1%	1%

27.4 In absence of any specific information available with the company in respect of any supplier attracting provisions of the Micro, Small and Medium Enterprises Development Act, 2006, no disclosure treatment as per Act has been considered necessary.

Segment Information

27.5.1 The Company is engaged in the business of cultivation, manufacturing, sale and trading in tea and therefore, according to the management this is a Single Segment Company.

Geographical Information

	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
27.5.2 Revenue from external customers		
- India	177,956,707	182,509,908
Outside India	69,566,042	35,479,791

27.5.3 The Company is reliant on revenues from transactions with single customers and receives 10% and above from transactions with any single external customers. The details of transactions are as under :

Name of the Customers	Value		Value	
	USD	INR	USD	INR
Shenzen Shenbao Haucheng Tech Co. Ltd., China	-	-	354,868	24,059,652
Masouleh Tea Industrial Development, Iran	-	30,597,600	-	-

28. RELATED PARTY DISCLOSURES

Enterprise over which key management personnel and / or relatives of such personnel are able to exercise significant influence:
Chokhani Tea & Tea Seed Estate *

Names of the Key Management Personnel of the Company:

Whole-time Director

Niraj Chokhani *

Chokhani Tea & Tea Seed Estate is owned by the three HUFs in which the following Directors are interested as a member of HUF

1. Mr. Vinod Kumar Chokhani – a Director of the Company and member of Banwari Lal Vinod Kumar Chokhani, HUF
2. Mr. Niraj Chokhani (Key Management Personnel of the Company) a whole time Director of the Company and member of Banwari Lal Niraj Chokhani, HUF.
3. Mr. Ramesh Kumar Chokhani – a Director of the Company and member of Banwarilal Ramesh Kumar Chokhani, HUF

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

***TRANSACTIONS/BALANCES WITH RELATED PARTIES DURING THE YEAR**

Nature of Transactions	Enterprises over which key management personnel and / or relatives of such personnel are able to exercise significant influence	Key Management Personnel
Purchases of Green Leaf	Rs. 44,711,021 (49,292,802)	Rs. -
Remuneration to Whole-time Director		1,252,769 (1,214,655)
Directors' Sitting Fees	-	37,500 (35,000)
Outstanding balances as at year end: Receivable	-	
- Short Term Advance	17,298,728 (13,307,069)	-

Figures in brackets relate to previous year.

29. Financial Instruments and Related Disclosures

1.Capital Management

The Company aims at maintaining a strong capital base maximizing shareholders' wealth safeguarding business continuity and augments its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth.

2.Categories of Financial Instruments

(Rs)

Particulars	Note	As at		As at	
		31st March, 2020		31st March, 2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets					
a) Measured at amortised cost					
i) Cash and Cash Equivalents	10	10339018	10339018	4464272	4464272
ii) Other Bank Balances	11	226805	226805	4532107	4532107
iii) Trade Receivables	9	22053596	22053596	18423904	18423904
iv) Other Financial assets	12	9312068	9312068	11799404	11799404
Sub - total		41931488	41931488	39219687	39219687
b) Measured at Fair value through Profit or Loss					
Equity shares	6	167120	167120	266967	266967

SUB TOTAL		167120	167120	266967	266967
Total financial assets		42098608	42098608	39486654	39486654
B. Financial liabilities					
a) Measured at amortised cost					
i) Borrowings		85900851	85900851	73613045	73613045
ii) Trade Payables	16	9491351	9491351	8031956	8031956
iii) Other financial liabilities	17	8810782	8810782	9120678	9120678
Total financial liabilities		105602727	105602727	90765679	90765679

3. Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on a system-based approach to business risk management. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

a) Market risk

The Company's business primarily agricultural in nature, exposes it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of adverse weather conditions and lack of future markets. The Company closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to risk.

i. Foreign currency risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees). A significant portion of these transactions are in US Dollar

Foreign currency sensitivity

The impact of sensitivity analysis arising on account of outstanding foreign currency denominated assets and liabilities is insignificant.

ii. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objectives of the Company's interest rate risk management processes are to lessen

the impact of adverse interest rate movements on its earnings and cash flows and to minimize counter party risks.

b) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty including seasonality in meeting its obligations.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle and ensuring optimal movements of its inventories.

c) Credit risk

Credit risk is the risk that counter party will not meet its obligations leading to a financial loss.

The Company has its policies to limit its exposure to credit risk arising from outstanding receivables. Management regularly assess the credit quality of its customer's basis which, the terms of payment are decided. Credit limits are set for each customer which are reviewed on periodic intervals. The credit risk of the Company is low as the Company largely sells its teas through the auction system which is on cash and carry basis and through exports which are mostly backed by letter or credit or on advance basis.

d) Effect of Covid-19

In view of nationwide lock down due to COVID-19, Operations of the company were temporarily suspended in compliance of Government orders w.e.f. March 24,2020. The operations gradually restarted from mid may.2020 onwards. As per the current assessment of the company, no material impact is expected due to COVID-19 on the carrying amounts of Property, Plant and Equipment and current assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of COVID-19 which may be different from that estimated as at the date of approval of these financial statements.

- 30.The financial risk associated to agriculture would include climate change, price fluctuation, currency fluctuation and input cost increases. Being dependent on rainfall, any shortfall would directly impact the production. The sale of tea being largely through the auction system, any price fluctuation would impact profitability. Increased wages also has a direct impact on the cost of production because of labour intensive nature of the business operations.

Management is continuously monitoring all the above factors. Investment in irrigation, a planned replanting programme to ensure higher yields and improving efficiency of labour and modernisation are some of the measures taken by the management to mitigate the risks.

31. The financial statements were approved for issue by the Board of Directors on 30th January, 2021
32. Previous year's figures have been re-arranged and regrouped wherever necessary.

	As per our Report of even date.	The Notes referred to above from an integral part of the Balance Sheet.
Nilu Nigania Company Secretary	For K. RAY & CO. Chartered Accountants Firm Registration No.:312142E	Niraj Chokhani Managing Director
Biswajit Paul Chief Financial Officer Kolkata, 30 th January, 2021	Supratim Roychoudhury Partner Membership No.066040	Vinod Chokhani Ramesh Chokhani Dilip Singh Director Director Director