



Rossell India Limited

Annual Report
2011 - 2012

ROSSELL INDIA LIMITED

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BOARD OF DIRECTORS

H. M. Gupta, Executive Chairman

Dr. S. S. Bajjal, Director

H. M. Parekh, Director

P. L. Agarwal, Director

V. P. Agarwal, Director

C. S. Bedi, Managing Director

VICE PRESIDENT (FINANCE)- CUM-COMPANY SECRETARY

N. K. Khurana

AUDITORS

S. S. Kothari & Co.

Chartered Accountants

BANKERS

Axis Bank Ltd.

Commonwealth Bank of Australia

Development Credit Bank Ltd.

HDFC Bank Ltd.

REGISTERED OFFICE

Jindal Towers,

Block 'B', 4th Floor,

21/1A/3, Darga Road,

Kolkata 700 017

ROSSELL INDIA LIMITED

Notice to the Members

Notice is hereby given that the Eighteenth Annual General Meeting of Rossell India Limited, will be held on **Friday, 10th August, 2012 at 10.30 A.M. at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017**, to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2012 and Reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares for the year ended 31st March, 2012.
3. To appoint a Director in place of Mr. V. P. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions:

5.1 As Special Resolutions :

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the members be and is hereby accorded to the re-appointment of Mr. H. M. Gupta as the Managing Director designated as Executive Chairman of the Company, for a period of 3 (three) years with effect from 1st May, 2012 to 30th April, 2015, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

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

5.2 As Special Resolutions :

" RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 read with the Director's Relatives (Office or Place of Profit) Rules, 2011, or any statutory modification(s) or re-enactment thereof, consent of the Company be and is hereby accorded, subject to approval of the Central Government, for increase in remuneration payable to Mr. Rishab Mohan Gupta, Vice President, to such extent and in such manner as may be decided by the Board of Directors from time to time with effect from 1st August, 2012 within the overall remuneration limit of Rs. 2,50,000 per month to Rs. 5,00,000 per month."

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

Registered Office:
Jindal Towers,
Block 'B', 4th Floor,
21/1A/3, Darga Road,
Kolkata 700 017

Place : Kolkata
Date : 17th May, 2012

By Order of the Board

N K Khurana
Vice President (Finance)
-cum-Company Secretary

ROSSELL INDIA LIMITED

NOTES :

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on a Poll on his/her behalf. A Proxy need not be a Member of the Company. However, proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 4th August, 2012 to 10th August, 2012 (both days inclusive) for the purpose of this Annual General Meeting.
3. The dividend on Equity Shares, if declared at the Meeting shall be paid to those Members whose names shall appear on the Company's Register of Members on 10th August, 2012 for Equity Shares held in physical form. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners for the purpose as on that date.
4. Members who are holding shares in identical order of names in more than one Folio in physical form are requested to write to the Company/ the Registrars to consolidate their holdings in one Folio.
5. Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
6. Members are requested to
 - (i) quote their Registered Folio Numbers / Client ID Nos. in all correspondences with the Company / with the Registrars; and
 - (ii) promptly notify any change in their address to the Company / the Registrars, CB Management Services Private Limited, P-22, Bondel Road, Kolkata - 700 019, in case they still hold the Equity Shares in physical form.
7. **Unpaid Dividend**

Those members, who have not so far encashed their Dividend Warrants from the year ended 31st March, 2008 onwards may immediately approach the Company for revalidation of such Dividend Warrants. Please note that pursuant to section 205A of the Companies Act, 1956, the Company is obliged to transfer any money lying in the Unpaid Dividend Accounts, which remain unpaid or unclaimed for a period of seven years from the date of transfer in such Unpaid Dividend Accounts to the credit of Investor Education and Protection Fund (the Fund) established by the Central Government. In accordance with Section 205C of the said Act, no claim shall lie against the Fund or the Company in respect of individual amounts of dividend remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of such claims.
8. **Unclaimed Equity Shares**

In terms of Clause 5A of the Listing Agreement, the Company's Registrars and Share Transfer Agent, C.B. Management Services Private Limited has sent three reminders to those shareholders whose physical Share Certificates are lying with them after being returned as undelivered. There has been some response leading to reduction in such unclaimed physical certificates. However, the balance unclaimed share certificates still lying with them will have to be transferred to the "Unclaimed Suspense Account", which is in the process of being opened with IL&FS Securities Services Limited, Mumbai.
9. The Members are requested to contact the Company's Registrars and Share Transfer Agents, **C.B. Management Services Private Limited** for all their queries, transfer requests, or any other matter relating to their shareholding in the Company as per their following contact details:

P-22, Bondel Road
Kolkata - 700 019
Tel. : 033 - 40116700, 40116711, 40116718, 40116723
Fax : 033 - 22870263
Email ID : rta@cbmsl.com

ROSSELL INDIA LIMITED

10. Dematerialisation of the Equity Shares of the Company

The Equity Shares of the Company are compulsorily required to be held under DEMAT mode for Trading on the floor of the Stock Exchanges, where such Equity Shares are listed. These can be held in electronic form with any Depository Participant (DP) with whom the Members have their Depository Account. All the Members, holding Equity Shares of the Company in the physical form, are advised to get the same dematerialized. The Members may contact the Registrars and Share Transfer Agents of the Company at their address mentioned above in case of any query / difficulty in the matter or at the Registered Office of the Company.

11. Green Initiative in Corporate Governance

In terms of Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011, the Company proposes to send you, all Communications including Notices of Meetings, Annual Reports and Financial Statements through Electronic Mode to the e-mail addresses, which would be made available to us by the Depositories and also which are registered and / or otherwise available with the Company's Registrar and Share Transfer Agent, CB Management Services Private Limited from time to time. The full text of all such documents and communications will also be displayed at the website of the Company www.rosselltea.com.

We seek your kind co-operation and support in our Green Initiative and request you to register your e-mail id with your Depository Participants, if not already registered. The Members still holding the Equity Shares of the Company in physical form are requested to provide/update their e-mails id with the Company's Registrar and Share Transfer Agent at www.cbmsl.com/green.php or with the Company at corporate@rosselltea.com.

If at any time you so desire, you may receive all communications in Physical Form upon written request.

Registered Office:
Jindal Towers,
Block 'B', 4th Floor,
21/1A/3, Darga Road,
Kolkata 700 017

Place : Kolkata
Date : 17th May, 2012

By Order of the Board

N K Khurana
Vice President (Finance)
-cum-Company Secretary

Explanatory Statement

[Pursuant to Section 173(2) of the Companies Act, 1956]

Attached to the Notice convening the Eighteenth Annual General Meeting to be held on Friday, 10th August, 2012.

Item No. 5.1

The existing terms of appointment of Mr. H. M. Gupta (Mr. Gupta), Executive Chairman expired on 30th April, 2012. Accordingly, pursuant to Article 159 of the Articles of Association of the Company, the Board of Directors, in their Meetings held on 17th April, 2012 and 17th May, 2012 re-appointed Mr. Gupta for a further period of 3 years with effect from 1st May, 2012, subject to approval of the Members of the Company by way of a Special Resolution, at the terms and conditions and the remuneration as recommended by the Remuneration Committee of the Board of Directors at their Meeting held on 17th May, 2012 and accepted by the Board of Directors, as under :

Salary :

Rs. 3,00,000 only per month in the range of Rs. 2,50,000 - Rs. 5,00,000. Annual increments to Mr. Gupta during his tenure shall be based on the recommendation of the Remuneration Committee within the aforesaid scale.

Perquisites and Allowances:

The sum total of all the perquisites and allowances in such form and in such manner, as may be decided from time to time shall be restricted to an amount equal to 100% of Annual Salary. Within the aforesaid ceiling Mr. Gupta shall be entitled to the following perquisites and such further perquisites and allowances, as may be decided by the Board of Directors from time to time, based on the recommendation of the Remuneration Committee:

- i) **Housing** : Rent-free furnished accommodation, for which rent shall not exceed 50% of the salary. The actual expenditure on gas, electricity, water and furnishing shall be paid by the Company.

In case no accommodation is provided, House Rent Allowance up to 50% of salary shall be payable to Mr. Gupta.
- ii) **Servants** : Provision of servants not exceeding three in numbers.
- iii) **Medical** : Reimbursement of expenses incurred for self and family, subject to a ceiling of one month's salary in one year or three months' salary over a period of three years.
- iv) **Contribution to Provident Fund** as per Rules of the Company.
- v) **Gratuity** payable at a rate not exceeding half a month's salary for each completed year of service as per Rules of the Company.
- vi) **Earned Leave** as per Rules of the Company. Leave not availed shall be allowed to be encashed.

Provision of Car for use on Company's business, telephones at residence and mobile telephones will not be considered as perquisites.

Perquisites shall be evaluated at the actual cost to the Company or as per Income Tax Rules, wherever applicable.

Commission :

Maximum @ 5% of the Net Profits, as may be decided by the Board from time to time, within the overall limit of the managerial remuneration as per the Act.

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Minimum Remuneration :

In the event of loss or inadequacy of profit in any Financial Year during the tenure of Mr. Gupta, he will be entitled to the Minimum Remuneration comprising of Salary, Perquisites and Allowances within the applicable ceiling as prescribed under Part II Section II Clause, 1(B) of Schedule XIII of the Act. Accordingly, the above Salary, Allowances and Perquisites shall be suitably adjusted.

Overall Remuneration :

The overall remuneration payable to Mr. Gupta shall not, subject to minimum remuneration as specified hereinabove, exceed 5% of the Net Profits of the Company in a Financial Year computed in the manner laid down in Section 309(5) of the Act with overall remuneration payable to all the managerial personnel remaining within the total ceiling of 10% of the Net Profits of the Company computed in the manner as aforesaid.

Option to draw Remuneration :

Since Mr. Gupta is also a Managing Director of another Public Limited Company, in accordance with Section III of Part II of Schedule XIII of the Act, Mr. Gupta may draw his remuneration from one or both the Companies, provided that the total remuneration drawn from the Companies does not exceed the higher maximum limit admissible from any one of the Companies, of which he is a Managing Director.

Disentitlement to Director's Fees :

Mr. Gupta shall not, so long as he functions as the Executive Chairman of the Company, be entitled to receive any fee for attending any Meeting of the Board or a Committee thereof.

Duties :

Mr. Gupta shall have substantial power of Management of the Company under the supervision, guidance and control of the Board.

Mr. Gupta is associated with the Company since its inception and well versed in International Trade and business, besides having comprehensive knowledge of Tea Industry. Thus, the Company would be immensely benefited with his continuous association. The Directors, thereafter, recommend adoption of the proposed special resolution for re-appointment of Mr. Gupta as Managing Director designated as Executive Chairman.

None of the Directors of the Company is concerned or interested in the proposed Special Resolution, except Mr. Gupta himself.

This may be construed as Memorandum showing the nature of concern or interest of the Director in the said re-appointment as required under Section 302 of the Companies Act, 1956.

Item No. 5.2

Mr. Rishab Mohan Gupta, (Mr. Rishab) son of Mr. H. M. Gupta, Executive Chairman has been employed in the Company since 1st January, 2008 as Manager (Projects) and thereafter as General Manager (Projects). Consent of the Members by way of Special Resolutions was obtained in the Annual General Meetings held on 28th July, 2008 and 31st July, 2009 for his appointment/ remuneration and increase in remuneration respectively. The increase in remuneration was since approved by the Central Government as per their letter reference SRN No. A-68179126-CL.VII dated 18th May, 2010 pursuant to Sec. 314(1B) of the Companies Act, 1956. Accordingly Mr. Rishab is in receipt of remuneration of Rs. 2,00,000 per month in the scale of Rs. 1,00,000- Rs. 2,00,000 at present.

Mr. Rishab has been actively involved in the operations of Aerotech Services and Rossell Techsys Divisions of the Company. He has also been instrumental in setting up Rossell Hospitality Division of the Company. In view

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of his excellent performance and future vision, your Directors considered it appropriate to elevate Mr. Rishab to the position of Vice President with effect from 17th May, 2012. Since his annual increment falls due on 1st August, 2012, the Board of Directors propose to increase his overall remuneration within the limits as embodied in the proposed Special Resolution, to commensurate with the responsibilities assigned to him and also to bring the same at par with other senior personnel in the similar cadre in the Company.

Mr. Rishab is 25 years old and did his education from Suffolk University, Boston, USA. With his educational background, business acumen and experience being acquired, the Company has immensely benefited. The Directors, therefore, recommend adoption of the proposed Special Resolutions for seeking your consent to increase the remuneration payable to Mr. Rishab, subject to further approval by the Central Government in terms of Sec. 314 of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit) Rules, 2011.

None of the Directors of the Company is concerned or interested in the proposed Special Resolutions, except Mr. H. M. Gupta, Executive Chairman, in his capacity as father of Mr. Rishab.

Registered Office:
Jindal Towers,
Block 'B', 4th Floor,
21/1A/3, Darga Road,
Kolkata 700 017

Place : Kolkata
Date : 17th May, 2012

By Order of the Board

N K Khurana
Vice President (Finance)
-cum-Company Secretary

Statement pursuant to the requirement of Part II, Section II Clause 1(B) of Schedule XIII to the Companies Act, 1956 for Remuneration proposed to be paid to Mr. H. M. Gupta (Mr. Gupta), Executive Chairman

I. General Information :

(1) Nature of Industry

The Company is a multi divisional Company and engaged in the following business:

- (a) Rossell Tea Division: Cultivation, Manufacture and Sale of Black Tea.
- (b) Aerotech Services Division: Technical and Support Services.
- (c) Rossell Techsys Division: Design and Development of Avionics Equipments.
- (d) Rossell Hospitality Division: Indian Quick Service Restaurants

(2) Date or expected date of commencement of commercial production

The Company is an existing Company and owns 5 Tea Estates in the State of Assam. The Aerotech Services Division and Rossell Techsys Division commenced business activities on and from 1st April, 2006 and 1st October, 2008 respectively. Rossell Hospitality Division was created on 1st December, 2011.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable.

ROSSELL INDIA LIMITED

(4) Financial performance based on given indicators	(Rs. in lakhs)	
	<u>2011-2012</u>	<u>2010-2011</u>
Total Turnover	7,983.43	7,593.25
Operating Profit before Interest and depreciation	2,604.43	2,736.49
Less : Interest (Net of Susidy)	56.00	139.68
Profit before Depreciation	2,548.26	2,596.81
Depreciation	195.74	180.10
Profit before Exceptional Items	2,352.52	2,416.71
Exceptional Items	(72.00)	-
Profit before Taxation	2,280.52	2,416.71
(5) Export performance and net foreign exchange earnings		
Export Turnover (FOB Value)	2,015.56	1,165.30
Receipts for Technical and Support Services	770.50	768.07

(6) Foreign Investments and Collaborators, if any

During the year, the Company has invested Rs.345.35 lakhs in Foreign Currency to acquire 7,47,500 Preference Shares of US Dollar 1 each, fully paid up in RV Enterprizes Pte. Ltd.,Singapore.(Joint Venture). Total Foreign Investments as on 31st March, 2012 has been Rs. 648.87 lakhs.

As on 31st March, 2012, 13.94% of the Company's Equity Share Capital were held by Foreign Institutional Investors.

Rossell Aviation Private Limited, the Subsidiary Company, entered into a Joint Venture Agreement with CAE International Holdings Ltd., Canada on 4th August, 2011 to provide training solution for projects primarily related to offset obligation that foreign OEMs need to fulfill under their contract with the Ministry of Defence.

II. Information about the appointees

(1) Background details

Mr. Gupta is B.A. (Hons.) and expert in International Trade and Business. He has been associated with Aviation business for more than 30 years, besides having comprehensive knowledge of Tea Industry. He has been a Director of the Company since inception, Executive Vice Chairman since 1st May, 1996 and Executive Chairman since 1st February, 2001.

(2) Past Remuneration

Mr. Gupta was paid the remuneration in terms of the resolution passed by the Members of the Company in the Annual General Meeting held on 31st July, 2009. The remuneration for the year 2009-2010, 2010-2011 and 2011-2012 as the Executive Chairman was Rs. 112.86 lakhs, Rs.110.10 lakhs and Rs.103.51 lakhs respectively.

(3) Recognition or Awards

Mr. Gupta is a Member of the Executive Committee of Federation of Indian Chamber of Commerce and Industry.

(4) Job Profile and Suitability

As the Managing Director, Mr. Gupta has been in overall control of the entire operations of the Company since the last 16 years. He has been leading the Board of Directors of the Company in his capacity as Chairman. Having regard to his vast experience and insight into the Company, with comprehensive knowledge in both Tea and Aviation Industry, Mr. Gupta is perfectly suited for re-appointment as Executive Chairman of the Company.