

A large, dark silhouette of a tea leaf with a central stem and two small leaves at the top, set against a lighter, textured background.

ROSSELL TEA LIMITED
ANNUAL REPORT 1999-2000



ROSSELL TEA LIMITED

BOARD OF DIRECTORS

Dr. S. S. Baijal, *Director*

N. C. Pohari, *Director*

H. M. Gupta, *Executive Vice Chairman*

R. N. Deogun, *Managing Director*

GENERAL MANAGER (FINANCE) -CUM-COMPANY SECRETARY

N. K. Khurana

AUDITORS

S. S. Kothari & Co.

BANKERS

Bank of Baroda

State Bank of India

HDFC Bank Ltd.

REGISTERED OFFICE

14B, Gurusaday Road,
Calcutta 700 019

ROSSELL TEA LIMITED

Notice to the Members

Notice is hereby given that the Sixth Annual General Meeting of the Members of Rossell Tea Limited, will be held on Friday, the 25th August, 2000 at 3.30 P.M. at Kala Kunj, 48, Shakespeare Sarani, Calcutta 700 017, to transact the following business :

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2000 and Reports of the Directors and Auditors thereon.
2. To consider and ratify Interim Dividend paid on the Equity Shares for the year ended 31st March, 2000.
3. To appoint a Director in place of Mr. N.C. Pohani, 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 an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company do re-appoint Mr. R. N. Deogun ("Mr. Deogun") as the Managing Director of the Company for a further period of two years with effect from 1st July, 2000 on the following terms and conditions, including remuneration, in accordance with the provisions of Schedule XIII (as amended) of the Companies Act, 1956, effective from the date of re-appointment :

(1) Salary :

Upto a maximum of Rs. 1,00,000 only per month as may be decided by the Board from time to time.

(2) Commission :

At the rate of 1/2% (one half percent) of the net profits for each Financial Year of the Company or part thereof computed in the manner laid down in Section 309(5) of the Companies Act, 1956, subject to such ceiling as may be imposed by the Board of Directors from time to time.

(3) Perquisites :

1. **Housing** : The expenditure incurred by the Company on gas, electricity, water and furnishing shall be evaluated as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10 percent of the Salary.
2. **Medical** : Reimbursement of expenses incurred for self and family, subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
3. **Leave Travel Concession** : For self and family, once in a year incurred in accordance with the Rules of the Company.
4. **Club Fees** : Fees of Clubs, subject to a maximum of two Clubs. This will not include Admission and Life Membership Fees.
5. **Personal Accident Insurance** : Of an amount, the annual premium of which shall not exceed Rs. 10,000.
6. **Contribution to Provident Fund** : As per the Rules of the Company, subject to a ceiling of 12% of the Salary.

7. **Contribution to Superannuation Fund** : As per the Rules of the Company, subject to a ceiling of 15% of the Salary, so however, that the total contribution to Provident Fund and Superannuation Fund shall not exceed the limits prescribed under the Income Tax Act, 1961.
8. Gratuity as per the Rules of the Company but shall not exceed half month's Salary for each completed year of service.
9. Car for use on Company's busines and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purposes shall be billed by the Company to Mr. Deogun.
10. **Earned Leave** : On full pay and allowances as per the Rules of the Company. Leave accumulated at the end of the tenure shall be allowed to be encashed.

(4) **Overall Remuneration :**

The overall remuneration payable to Mr. Deogun shall not, subject to minimum remuneration as specified in clause (5) hereinafter, exceed 5% of the Net Profits of the Company in any Financial Year computed in the manner laid down in Section 309(5) of the Companies Act, 1956.

(5) **Minimum Remuneration :**

In the event of loss or inadequacy of profit in any Financial Year during the tenure of Mr. Deogun, the above Salary and Perquisites shall be payable to Mr. Deogun as Minimum Remuneration.

(6) **Reimbursement of Expenses :**

Mr. Deogun shall be entitled to reimbursernent of all Entertainment and other expenses actually and properly incurred by him in connection with the business of the Company.

(7) **Disentitlement to Directors' Fees :**

Mr. Deogun shall not, so long as he functions as the Managing Director of the Company, be entitled to receive any fee for attending any Meeting of the Board or a Committee thereof."

5.2 **As a Special Resolution :**

"RESOLVED THAT pursuant to provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company, be altered in the following manner :

- (i) In Article 1, the definition of Members shall be substituted by the following new definition :

"Members" means the duly registered holders, from time to time of the Shares of the Company, including the subscribers to the Memorandum of Association of the Company and will also include the beneficial owners as defined in Article 80A.

Further, in Article 1, after the definition of Secretary but before the definition of Shares, definition of Securities shall be provided as under :

"Securities" means Shares, Debentures and such other securities as may be specified by SEBI from time to time and issued by the Company.

- (ii) In Article 14, the words 'Share Premiurn Account' wherever appear shall be substituted by the words 'Securities Premium Account.'
- (iii) The following new Article 27A be inserted after the existing Article 27 under the separate Chapter as follows :

BUY BACK OF SHARES

Purchase by the Company of its own Shares

27A. Notwithstanding anything contained in Article 27, but subject to and in full compliance of the requirements of Sections 77A, 77AA and 77B of the Companies Act, 1956, or corresponding provisions of any re-enactment thereof and any Rules and Regulations that may be prescribed by the Central Government, the Securities and Exchange Board of India (SEBI) or any other appropriate authority in this regard, the Company, in a General Meeting may, upon the recommendation of the Board, at any time and from time to time, by a Special Resolution authorise buy-back of any part of the share capital of the Company fully paid-up on that date.

ROSSELL TEA LIMITED

- (iv) The Article 63 be deleted.
- (v) The following new Articles 66A & 66B be inserted after the present Article 66 :

Nomination of Shares

- 66A.1) Notwithstanding anything contained in these Articles, every holder of Shares in or holders of Debentures of the Company may, at any time nominate, in the prescribed manner under the provisions of Sections 109A and 109B of the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of his death.
- 2) Where the Shares in or Debentures of the Company are held by more than one person jointly, the jointholders may together nominate, in the prescribed manner under Section 109A of the Act, a person to whom all the rights in the Shares in or Debentures of the Company shall vest in the event of death of all the jointholders.
 - 3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner under Section 109A of the Act, purports to confer on any person the right to vest the Shares in or Debentures of the Company, the nominee shall, on the death of the Shareholder or holder of Debentures of the Company, or, as the case may be, on the death of the jointholders, become entitled to all the rights in the Shares in or Debentures of the Company, or, as the case may be, all the jointholders, in relation to such Shares in or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under Section 109A of the Act.
 - 4) Where the nominee is a minor, it shall be lawful for the holder of Shares or holder of Debentures, to make the nomination to appoint, in the prescribed manner under Section 109A of the Act, any person to become entitled to Shares in or Debentures of the Company, in the event of his death, during the minority.

Transmission of Shares

- 66B. 1) Any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, upon the production of such evidence as may be required by the Board and subject to as hereinafter provided, elect either :
- a) to be registered himself as holder of the Shares or Debentures as the case may be;
 - b) to make such transfer of the Share on Debenture as the case may be as the deceased Shareholder or Debentureholder could have made.
- 2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Shares or Debentures himself, as the case may be, he shall deliver or send to the Company a Notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholder or Debentureholder, as the case may be.
 - 3) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of Shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Shareholder or Debentureholder had not occurred and the notice or transfer were a transfer signed by that Shareholder or Debentureholder.
 - 4) A person, being a nominee, becoming entitled to a Share or Debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture except that he shall not, before being registered a member in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with

within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share or Debenture until the requirements of the notice have been complied with.

(vi) The following new Heading and Article as Article 80A be inserted after Article 80 :

DEMATERIALIZATION OF SECURITIES

Dematerialisation of Securities

80A. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

Definitions

1. For the purpose of this Article :

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository.

'SEBI' means the Securities & Exchange Board of India; established under Section 3 of the Securities & Exchange Board of India Act, 1992 and

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt with in accordance with the provisions of the Depositories Act, 1996.

Dematerialisation of Securities

2. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for investors

3. Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

Securities in Depositories to be in fungible form

4. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

5. a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the records of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository and shall be deemed to be a Member of the Company.

ROSSELL TEA LIMITED

Service of Documents

- 6) Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- 7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with in a Depository

- 8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive Number of Securities held in a Depository

- 9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of Beneficial Owners

- 10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Securityholders for the purposes of these Articles."

5.3 As a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such statutory permission(s) and approvals as may be required, consent be and is hereby accorded for payment of Commission to Non-Executive Directors not in the wholetime employment of the Company, of such amount as may be decided by the Board of Directors of the Company from time to time subject to a maximum of 1% (one percent) of the net profits for each of the financial years from Financial Year 1999-2000 onwards calculated in the manner laid down in Section 309(5) of the Act to be distributed amongst such Directors in such proportion as the Board of Directors may determine pursuant to Article 139 of the Articles of Association of the Company."

5.4 As an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to sell, lease or otherwise dispose off the whole or substantially the whole or any part of any one or more of the undertakings of the Company for such consideration and on such terms and conditions as may be deemed fit by the Board of Directors of the Company."

Registered Office :
14B, Gurusaday Road,
Calcutta 700 019

Place : Calcutta
Date : 29th June, 2000

By Order of the Board

N.K. Khurana
General Manager (Finance)
-cum-Company Secretary

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. Members who are holding shares in identical order of names in more than one Folio are requested to write to the Company to consolidate their holdings in one Folio.
3. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
4. Members are requested to promptly notify any change in their address to the Company at its Registered Office at 14B, Gurusaday Road, Calcutta 700 019.
5. The Company has already despatched 'Nomination Form' in the prescribed Form 2B under the provisions of Companies (Central Government's) General Rules and Forms, 1999 to the Members alongwith Dividend Warrants for the year 1998-99. Members, who still have not sent the completed Nomination Form to the Company, are requested to promptly send the same to the Company at its Registered office at 14B, Gurusaday Road, Calcutta - 700 019.
6. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF ANNUAL REPORT TO THE MEETING.

Registered Office:
14B, Gurusaday Road,
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Place : Calcutta
Date : 29th June, 2000

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N.K. Khurana
General Manager (Finance)
-cum-Company Secretary

ROSSELL TEA LIMITED

EXPLANATORY STATEMENT**(Pursuant to Section 173(2) of the Companies Act, 1956)**

Attached to the Notice convening the Sixth Annual General Meeting to be held on 25th August, 2000.

Item No. 5.1

The Board of Directors of the Company at its Meeting held on 29th June, 2000 re-appointed Mr. R. N. Deogun as Managing Director for a further period of 2 years with effect from 1st July, 2000, subject to the approval of the Members of the Company, pursuant to Article 159 of the Articles of Association at the terms and conditions embodied in the Resolution.

Mr. Deogun has been associated with the Company since its inception. With his vast experience in Tea Industry, the Company has immensely benefited. The Directors, therefore, recommend adoption of the proposed Resolution.

Except Mr. Deogun himself, none of the Directors of the Company is concerned or interested in the proposed Resolution.

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

Item No. 5.2

Pursuant to new Sections 77A, 77AA and 77B introduced by the Companies (Amendment) Act, 1999, effective from October 31, 1998, it is now permissible for the Companies to buy-back their own shares. However, such buy-back in any financial year should not exceed 25% of the total paid up capital in that financial year. While your Company has no immediate plans for buy-back of own shares in the near future, the Articles of Association of the Company is being amended, for the limited purpose of bringing the same in line with the amended provisions of the Companies Act, 1956 so that, if and when, the Company decides to buy-back its own shares at a future date, the lack of an enabling provision in the Article of Association does not become an impediment to such a decision.

The existing Article 63 provides for the Power to the Board of Directors to decline the transfer of shares in their absolute discretion. Although such provisions of Article 63 of the Articles of Association of the Company are negated by the provisions of Article 64 read with Section 111 of the Companies Act, 1956, it is proposed to delete Article 63.

In terms of provisions of new Sections 109A and 109B introduced vide the Companies (Amendment) Act, 1999, effective from October, 31, 1998, a Shareholder may now nominate any person in whose name his/her holdings are to be transferred on the event of his/her death. The enabling provisions are being incorporated by amending the Articles of Association of the Company.

Further, with the introduction of the Depositories Act, 1996 and the Depository System for Dematerialisation of securities, some of the provisions of the Articles of Association of the Company relating to the issue, holding, transfer and transmission of Shares and Debentures are required to be amended to facilitate the implementation of the new system. In accordance with the recent directives of the Securities and Exchange Board of India for compulsory dematerialised trading in the Equity Shares of your Company by all classes of investors, your Company shall have to join the Depository System and it is, therefore, proposed that the Company's Articles of Association be suitably altered, to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the Securities in such a system.

The other alterations proposed in the Articles of Association are consequential or to bring the Articles in line with the recent amendments in the Companies Act, 1956.

The Board recommends the adoption of the proposed Resolution by the Members.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office on any working day during business hours.

None of the Directors of the Company is concerned or interested in the above Resolution.

Item No. 5.3

The Non-Executive Directors have been in receipt of Fee only for attending the Meeting of the Board of Directors of the Company. However, keeping in view the valuable services rendered by them for the benefit of the Company, remuneration by way of Commission, upto to a maximum of 1% of the Net Profits, from the Financial Year 1999-2000 onwards, is proposed to be paid to them.

In terms of Section 309(4) of the Companies Act, 1956 payment of such remuneration is required to be authorised by the Members by way of a special resolution. Your approval is, accordingly being sought for such payment.

The Board recommends the adoption of the proposed Resolution by the Members.

None of the Directors of the Company is concerned or interested in the Resolution, except Dr. S. S. Baijal and Mr. N. C. Pohani to the extent of the amount of Commission as may be payable to them.

Item No. 5.4

Your Directors are always on the look out for acquisition of Tea Estate(s) or other Properties to enlarge its area of operations. As and when such opportunity comes, it may be desirable, keeping in view the economic and financial aspects, to sell or dispose off any existing property or undertaking or any part thereof, at such consideration and on such terms and conditions as may be deemed fit by the Board of Directors in the interest of the Company.

In terms of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a public company cannot, except with the consent of such public company in any General Meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company. In view of this, it is considered appropriate to seek your consent to the proposal.

The Board recommends the adoption of the proposed Resolution by the Members.

None of the Directors of the Company is concerned or interested in the above Resolution.

Registered Office:
14B, Gurusaday Road,
Calcutta 700 019

Place : Calcutta
Date : 29th June, 2000

By Order of the Board

N.K. Khurana
General Manager (Finance)
-cum-Company Secretary