



# Rossell India Limited

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ANNUAL REPORT 2012-2013

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# ROSSELL INDIA LIMITED

## 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.

The Federal Bank Ltd.

## REGISTERED OFFICE

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

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## **ROSSELL INDIA LIMITED**

### **Notice to the Members**

Notice is hereby given that the Nineteenth Annual General Meeting of Rossell India Limited, will be held on **2nd August, 2013 at 2.00 P.M. at Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020**, to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2013 and Reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. H. M. Parekh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. L. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### **SPECIAL BUSINESS**

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

#### **6.1 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. C. S. Bedi, Managing Director of the Company, for a period of 3 (three) years with effect from 1st October, 2013 to 30th September, 2016, 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 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."

#### **6.2 As 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, authorisation be and is hereby accorded to payment of Commission to Non-Executive Directors not in the wholetime employment of the Company, made or to be made by the Board of Directors of the Company from time to time within the limit of 1% (one percent) of the net profits of the Company for a period of five financial years commencing 1st April 2012, calculated in the manner laid down in Section 309(5) of the said Act and distributed amongst such Directors in such proportion as the Board of Directors decided/may decide pursuant to Article 139 of the Articles of Association of the Company."

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

Place : Kolkata  
Date : 15th May, 2013

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 27th July, 2013 to 2nd August, 2013 (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 2nd August, 2013 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 has opened an account under the name and style "Unclaimed Suspense Account", with IL&FS Securities Services Limited, Mumbai and **the unclaimed 1,20,245 Equity Shares of the Company belonging to 489 Members are lying therein since the date of opening of the Account.** No claim was received by the Company till 31st March, 2013 from any of those Members. The Members concerned are requested to lodge their Claim with the Company's Registrars and Share Transfer Agents, CB Management Services Private Limited in case no Equity Shares have been received by them after sub-division of the Equity Shares of the Company.

9. The Members are requested to contact the Company's Registrars and Share Transfer Agents, **CB 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.rossellindia.com](http://www.rossellindia.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](http://www.cbmsl.com/green.php) or with the Company at [corporate@rosselltea.com](mailto:corporate@rosselltea.com).

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

### 12. Payments to Shareholders by Electronic Payment Mode

In terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by SEBI, all listed Companies are required to make payment of dividend to investors through electronic fund transfer.

Accordingly, if you are holding shares in physical form, you are requested to send your complete Bank Account details along with a cancelled cheque to the Company's Registrar and Share Transfer Agent as in 9 above to enable us to credit the dividend amount directly to your Bank Account.

In case of non-availability of MICR/ IFSC etc. for making electronic payment or in cases where such payment have been rejected by the Bank, physical warrants will be issued with the Bank Account details of the shareholders' mandatorily printed on the warrants.

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

Place : Kolkata  
Date : 15th May, 2013

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 Nineteenth Annual General Meeting to be held on Friday, 2nd August, 2013.

### Item No. 6.1

The existing terms of appointment of Mr. C. S. Bedi (Mr. Bedi), Managing Director is due to expire on 30th September, 2013. Accordingly, pursuant to Article 159 of the Articles of Association of the Company, the Board of Directors, in their Meeting held on 15th May, 2013 re-appointed Mr. Bedi for a further period of 3 years with effect from 1st October, 2013, 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 15th May, 2013 and accepted by the Board of Directors, as under:

#### a. Salary:

Rs.2,40,000 only per month in the scale of Rs.2,40,000 - Rs.3,50,000. Future increments during his tenure shall be merit-based and at the discretion of the Board within the aforesaid scale.

#### b. Allowances and Perquisites:

The sum total of all the Allowances and Perquisites to be provided in such form and in such manner, as may be decided by the Board from time to time, shall be restricted to an amount equal to 100% of the Annual Salary. Within the aforesaid ceiling, Mr. Bedi will be entitled to following allowances and perquisites:

- i] **Special Allowance:** Not exceeding Rs.1,00,000 per month with the present allowance being Rs.12,500 per month.
- ii] **Housing:** Rent-free furnished accommodation, for which rent shall not exceed 50% of the salary, along with the expenditure on gas, electricity, water and furnishing thereof shall not exceed 10% of the salary. In case no accommodation is provided, House Rent Allowance upto 50% of the salary shall be payable to Mr. Bedi.
- 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 and payment of annual premium for the medical policy for self and family taken as per the Rules of the Company.
- iv] **Leave Travel Allowance:** For self and family, once in the year in accordance with the Rules of the Company.

However, the following perquisites shall not be included in the overall ceiling:

1. **Contribution to Provident Fund and Superannuation Fund** to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. **Gratuity** payable at a rate not exceeding half a month's salary for each completed year of service or contribution up to the equivalent amount, as may be determined by Actuary, to Gratuity Fund towards Annual Contribution. Any such contribution, exceeding the aforesaid rate as per Rules of the Fund, shall be included in the overall ceiling for perquisites.

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### 3. **Encashment of leave at the end of the tenure.**

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

For the purpose of calculating the above ceiling, Perquisites and Allowances shall be evaluated at the actual cost to the Company or as per Income Tax Rules, wherever applicable.

### c. **Earned Leave:**

Mr. Bedi shall be entitled to leave according to the Rules applicable to the managerial personnel or Leave Salary in lieu thereof within the limit prescribed in Clause b above.

### d. **Minimum Remuneration:**

In the event of loss or inadequacy of profit in any Financial Year during the tenure of Mr. Bedi, the above Salary, Allowances and Perquisites shall be suitably adjusted in accordance with Part II, Section II, Clause 1(B) of Schedule XIII of the Act and shall be payable to Mr. Bedi as Minimum Remuneration.

### e. **Overall Remuneration:**

The overall remuneration payable to Mr. Bedi 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.

### f. **Disentitlement to Director's Fees:**

Mr. Bedi 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.

### g. **Duties**

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

Mr. Bedi is associated with the Company since its inception in various capacities. He has been the Chairman of the Indian Tea Association as well as the Tea Research Association. With his specialization and vast experience in the Tea Industry, the Company has immensely benefited. The Directors, thereafter, recommend adoption of the proposed special resolutions for re-appointment of Mr. Bedi as Managing Director.

None of the Directors of the Company is concerned or interested in the proposed Special Resolutions, except Mr. Bedi 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. 6.2**

The Non-Executive Directors have been in receipt of a Fee for attending the Meetings of the Board of Directors of the Company. However, keeping in view the valuable services being rendered by them for the benefit of the Company, remuneration by way of Commission, up to a maximum of 1% of the Net Profits as authorised by the



## ROSSELL INDIA LIMITED

Members, is also being paid. The authorisation, thus granted by the Members, was in force till the Financial Year ended 31st March, 2012.

In terms of Section 309(4) of the Companies Act, 1956 payment of such remuneration by way of Commission, is required to be authorised by the Members by way of a Special Resolution which shall be in force for a further period of 5 (five) years at a time commencing from the Financial Year ended 31st March, 2013. Your authorisation is, accordingly being sought for payment of such commission during the period mentioned in the Resolution.

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

The Directors not in the whole time employment of the Company, namely, Dr. S.S. Baijal, Mr H.M. Parekh, Mr. P.L. Agarwal and Mr V.P. Agarwal are concerned or interested in the Resolution to the extent of the amount of Commission as may be received by them.

Registered Office:  
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Kolkata 700 017

By Order of the Board

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

Place : Kolkata

Date : 15th May, 2013

### **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. C. S. Bedi (Mr. Bedi), Managing Director**

#### **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 7 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.

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<b>(4) Financial performance based on given indicators</b>	<b>(Rs. in lakhs)</b>	
	<u><b>2012-2013</b></u>	<u><b>2011-2012</b></u>
Total Turnover	<u><b>10,161.28</b></u>	<u>7,983.43</u>
Operating Profit before		
Interest and depreciation	<b>3,067.31</b>	2,604.43
Less: Interest (Net of Subsidy)	<b>217.69</b>	56.17
Profit before Depreciation	<u><b>2,849.62</b></u>	<u>2,548.26</u>
Depreciation	<b>306.86</b>	195.74
Profit before Exceptional Items	<u><b>2,542.76</b></u>	<u>2,352.52</u>
Exceptional Items	<b>1,358.45</b>	(72.00)
Profit before Taxation	<u><b>3,901.21</b></u>	<u>2,280.52</u>
<b>(5) Export performance and net foreign exchange earnings</b>		
Export Turnover (FOB Value)	<b>2,615.82</b>	2,015.56
Receipts for Technical and Support Services	<u><b>1,000.53</b></u>	<u>770.50</u>

### **(6) Foreign Investments and Collaborators, if any**

During the year, the Company has invested Rs.459.88 lacs in Foreign Currency to acquire 8,49,375 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, 2013 has been Rs.1,108.75 lakhs.

As on 31st March, 2013, 9.54% of the Company's Equity Share Capital was held by a Foreign Institutional Investor.

CAE Rossell India 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. Bedi is B.A. (Hons.) and was a Tea Planter himself. He has acquired sufficient expertise in Cultivation, Manufacture and Marketing of Tea. Having worked with Rydak Syndicate Ltd., he has been with the Company since its inception and after working in various capacities, held the office of Executive Director from 1st April, 2003 to 30th September, 2007 and thereafter the office of Managing Director from 1st October, 2007 till date. His existing tenure of service as Managing Director is due to expire on 30th September, 2013.

### **(2) Past Remuneration**

Mr. Bedi was paid the remuneration in terms of the resolution passed by the Members of the Company in the Annual General Meeting held on 29th July, 2010. The remuneration for the year 2010-2011 and 2011-2012 as the Managing Director was Rs.33.34 lakhs and Rs. 41.67 lakhs respectively. The same for the year 2012-2013 was Rs. 46.25 lakhs.

### **(3) Recognition or Awards**

Mr. Bedi was the Chairman of Indian Tea Association (ITA) and the Tea Research Association (TRA), the premier Institutions for the Tea Industry.

### **(4) Job Profile and Suitability**

Mr. Bedi has in-depth knowledge of Tea Industry, having worked in various capacities in the Company since its inception. Mr. Bedi has been the Managing Director of the Company for more than five years and entrusted with day to day functions of the Company under the supervision and control of the Board of Directors. With his background and vast knowledge, the performance of the Company