



ROSSELL INDIA LIMITED

Annual Report 2017 - 2018



TEA



AEROSPACE & DEFENSE



KEBAB XPRESS

Corporate Information

BOARD OF DIRECTORS

H. M. Gupta, *Executive Chairman (KMP – Chief Executive Officer)*

Dr. S. S. Baijal, *Non-Executive-Independent Director*

H. M. Parekh, *Non-Executive-Independent Director*

V. P. Agarwal, *Non-Executive-Independent Director*

N. Palchoudhuri, *Non-Executive-Independent Director*

N. K. Khurana, *Director (Finance) and Company Secretary
(KMP-Chief Financial Officer)*

R. M. Gupta, *Whole Time Director*

AUDIT COMMITTEE

Dr. S. S. Baijal, *Non-Executive-Independent Director (Chairman)*

H. M. Parekh, *Non-Executive-Independent Director (Member)*

V. P. Agarwal, *Non-Executive-Independent Director (Member)*

N. Palchoudhuri, *Non-Executive-Independent Director (Member)*

NOMINATION AND REMUNERATION COMMITTEE

H. M. Parekh, *Non-Executive-Independent Director (Chairman)*

Dr. S. S. Baijal, *Non-Executive-Independent Director (Member)*

V. P. Agarwal, *Non-Executive-Independent Director (Member)*

STAKEHOLDERS' RELATIONSHIP COMMITTEE

H. M. Parekh, *Non-Executive-Independent Director (Chairman)*

V. P. Agarwal, *Non-Executive-Independent Director (Member)*

N. K. Khurana, *Director (Finance) and Company Secretary (Member)*

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Dr. S. S. Baijal, *Non-Executive-Independent Director (Chairman)*

V. P. Agarwal, *Non-Executive-Independent Director (Member)*

N. K. Khurana, *Director (Finance) and Company Secretary (Member)*

RISK MANAGEMENT COMMITTEE

H. M. Parekh, *Non-Executive-Independent Director (Chairman)*

N. Palchoudhuri, *Non-Executive-Independent Director (Member)*

N. K. Khurana, *Director (Finance) and Company Secretary (Member)*
KMP – Key Managerial Personnel

DIVISIONAL HEADS

S. S. Sikand - Rossell Tea

P. K. Bhagvandas - Rossell Techsys

AVM (Retd.) S. K. Sofat - Aerotech Services

J. S. Kandhari - Rossell Hospitality

AUDITORS

M/s. Khandelwal Ray & Co.,
Chartered Accountants

BANKERS

HDFC Bank Limited

Kotak Mahindra Bank Limited

The Federal Bank Limited

YES Bank Limited

REGISTRAR AND

SHARE TRANSFER AGENT

CB Management Services Private Limited

P-22, Bondel Road,

Kolkata-700 019

REGISTERED OFFICE

Jindal Towers, Block 'B', 4th Floor,

21/1A/3, Darga Road, Kolkata - 700017

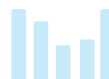
Across the Pages

Notice **2** Route Map of venue for AGM **16** Report of the Board of Directors **17** Independent Auditors' Report **62**

Balance Sheet **68** Profit and Loss Statement **69** Cash Flow Statement **70** Statement of Changes in Equity **72**

Notes to the Financial Statements **73** Independent Auditors' Report on Consolidated Financial Statements **104** Consolidated Balance Sheet **108** Consolidated Profit and Loss Statement **109** Consolidated Cash Flow Statement **110**

Consolidated Statement of Changes in Equity **112** Notes to the Consolidated Financial Statements **113**



Notice

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of Rossell India Limited will be held on Wednesday, 8th August, 2018, at 10:30 A.M. at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt –
 - (a) The Audited Financial Statement of the Company for the Financial Year ended 31st March, 2018 together with the Reports of the Directors and Auditors thereon; and
 - (b) The Audited Consolidated Financial Statement of the Company for the Financial Year ended 31st March, 2018 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. N.K. Khurana (DIN - 00123297), who retires by rotation, and, being eligible offers himself for re-appointment.

SPECIAL BUSINESS

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

3. As Ordinary Resolution:

"RESOLVED THAT Mr. Rishab Mohan Gupta (DIN - 05259454), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 9th February, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 and Article 79 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, not liable to retire by rotation pursuant to Article 75 of the Articles of Association of the Company."

4. As Special Resolutions:

"RESOLVED THAT pursuant to the provisions of Section 188, 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Section I and Section II of Part II of Schedule V to the said Act and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Rishab Mohan Gupta (DIN - 05259454), be and is hereby appointed as the Whole Time Director of the Company, for a period of 3 (Three) years commencing from 9th February, 2018 to hold office till 8th February, 2021 on the terms and conditions, including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting and approved by the Board of Directors, upon recommendation made by the Nomination and Remuneration Committee of the Board in accordance with Schedule V, Section I and Section II of Part II of the Companies Act, 2013 and also approved by the Audit Committee of the Board in accordance with the Policy of the Company on Related Party Transactions."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized 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. As Special Resolutions:

"RESOLVED THAT pursuant to the provisions of Section 188, 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Section I and Section II of Part II of Schedule V to the said Act and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, consent of the Members be and is hereby accorded to the re-appointment of Mr. H. M. Gupta, Managing Director (DIN: 00065973) designated as Executive Chairman for a further period of 3 (Three) years i.e. for the period from 1st April, 2018 to 31st March, 2021 on the terms and conditions, including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting and approved by the Board of Directors, upon recommendation made by the Nomination and Remuneration Committee of the Board in accordance with Schedule V, Section I and Section II of Part II of the Companies Act, 2013 and also approved by the Audit Committee of the Board in accordance with the Policy of the Company on Related Party Transactions."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized 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."

Notice

6. As Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder read with Schedule IV to the Act, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Nayantara Palchoudhuri (DIN - 00581440), existing Non-Executive Director on the Board of the Company, having submitted the required declaration of independence as provided in section 149(7) of the Companies Act, 2013 and thus eligible for appointment as Independent Director in the opinion of the Board, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years commencing from 9th February, 2018 till 8th February, 2023 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of Section 152 (6) the Companies Act, 2013 .”

7. As Ordinary Resolution:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, M/s Shome and Banerjee, Cost Accountants, (Registration No. 000001), the Cost Auditors appointed by the Board, to conduct the audit of the cost records of the Company in respect of products of Rossell Tea and Rossell Techsys Divisions for the Financial Year ending 31st March, 2019, be paid remuneration as set out in the Explanatory Statement annexed to the Notice.

By Order of the Board

N K Khurana

*Director (Finance) and
Company Secretary*

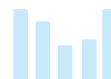
Place: Kolkata

Date: 24th May, 2018

NOTES

- A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/ herself and such proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight hours before the commencement of AGM. The Instrument of Proxy in Form MGT 11 to be used in this AGM is enclosed.**

Pursuant to Section 105 of the Companies Act, 2013 (the Act) read with clause 6 of the Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- Corporate Members/ Societies intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of the resolution passed by the Board of Directors / Governing Board, authorizing their representatives to attend and vote on their behalf at the AGM.
- In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 2nd August, 2018 to 8th August, 2018 (both days inclusive) for the purpose of the 24th AGM.
- The Explanatory Statement pursuant to section 102 (1) of the Act, setting out the material facts concerning each item of Special Business is Annexed to this Notice.
- 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.
- Members are requested to bring the Attendance Slip duly filled in along with their copy of Annual Report to the Meeting.**



Notice

8. Members are requested to :

- (i) quote their Registered Folio Numbers / Client ID Nos. in all correspondences with the Company / with the Registrar; and
- (ii) promptly notify any change in their address to the Company / the Registrar, CB Management Services Private Limited, P-22, Bondel Road, Kolkata – 700 019, in case they still hold the Equity Shares in physical form.

9. **Transfer of Unpaid Dividend and unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Authorities :**

Pursuant to the provisions of Sub-Section 5 of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of 7 (seven) years.

Further, In terms of the provisions of Section 124 (6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to an IEPF Suspense Account.

In compliance with the above provisions, the following amounts of unpaid dividend pertaining to the Financial Year 2009-2010 along with corresponding Equity Shares thereto were transferred to Investor Education and Protection Fund (IEPF) Authorities of the Central Government during the Financial Year 2017-2018:

Amount of Unpaid Dividend pertaining to the Financial Year 2009-2010 transferred to IEPF	₹ 81,097
No. of Corresponding Shares transferred to IEPF	1,91,165 Equity Shares

Accordingly, the Company would be transferring the unpaid final dividend and corresponding unclaimed shares for the year ended 31st March 2011, during September, 2018 to IEPF. Those Members, who have not so far encashed their Dividend Warrants from the year ended 31st March, 2011 onwards may immediately approach the Company/Registrar for revalidation of such Dividend Warrants.

The shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are available on the Company's website at <http://www.rossellindia.com/financials.html>.

10. **Unclaimed Equity Shares**

In terms of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is maintaining an account under the name and style "Unclaimed Suspense Account", with IL&FS Securities Services Limited, Mumbai and the unclaimed 33,525 Equity Shares of the Company belonging to 71 Members are lying therein as on 31st March, 2018, since the date of opening of the Account. During the Financial Year 2017-2018, the Company received claims from three members for transfer of 600 Equity Shares, along with valid documents, from the said Unclaimed Suspense Account and accordingly approved the same. Further, in compliance with the provisions of Section 124 (6) of the Act read with Rule 6 of the IEPF Rules, 75,410 Equity Shares of the Company belonging to 406 Members, which were earlier lying in the aforesaid Unclaimed Suspense account and in respect of which dividend remained unpaid/unclaimed for more than seven years were transferred to IEPF Authorities.

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.

11. The Members are requested to contact the Company's Registrar and Share Transfer Agent, 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.co / ranarc@cbmsl.co

12. Dematerialization 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 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

Notice

advised to get the same dematerialized. The Members may contact the Registrar and Share Transfer Agent 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.

13. Pursuant to Section 101 and Section 136 of the Act, read with Rule 11 of the Companies (Accounts) Rules, 2014, and in support of the concept of 'Green Initiative', the Company would serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company, the Registrar and Share Transfer Agents or with the Depository. Therefore, Members who have not registered their e-mail addresses so far are requested to register their e-mail id with the Company's Registrar and Share Transfer Agent at www.cbmsl.com/green.php or with the Company at corporate@rosselltea.com.
14. The Annual Report of the Company circulated to the Members of the Company, shall be made available on the Company's website at www.rossellindia.com.
15. Members are requested to send their queries, if any, on Annual Report to the Company Secretary, at least 7 days before the date of Meeting, so that the requisite information/explanations can be provided in time.
16. The route map showing directions to reach the venue of the 24th Annual General Meeting is annexed at end of this Notice as per the requirement of the Secretarial Standards-2.
17. **Voting through electronic means:**
 - a) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the Members, the facility to cast their votes through e-voting (including remote e-voting) on all Resolutions set forth in this Notice. The facility for voting through ballot or polling paper shall also be made available at the Meeting and Members attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting.
 - b) The Board of Directors has appointed M/s. A. K. Labh & Co., Practicing Company Secretaries, (Membership No. F4848) Kolkata as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - c) The facility for voting, through Ballot/poll paper, shall also be made available at the AGM and the Members attending the AGM, who have not already cast their vote by remote e-voting, may exercise their right to vote at the AGM.

The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

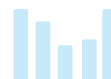
Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

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

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



Notice

4. Your User ID details are given below :

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

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

- h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizeraklabh@gmail.com; aklabh@aklabh.com; aklabhcs@gmail.com with a copy marked to evoting@nsdl.co.in.
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

Other Instructions:

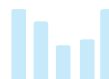
- i) The e-voting period commences on Sunday, 5th August, 2018 (9.00 a.m. IST) and ends on Tuesday, 7th August, 2018 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, 1st August 2018, i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - ii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - iii) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - iv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - v) The voting rights of members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company as on the cut-off date of 1st August, 2018.
 - vi) The Scrutiniser shall, immediately after the conclusion of voting at General Meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutiniser shall within 3 days of conclusion of the meeting submit a consolidated scrutiniser report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
 - vii) The results along with the Scrutinisers Report shall be placed on the website of the Company and on the website of NSDL and shall be communicated to BSE Limited and National Stock Exchange of India.
 - viii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company or to the Company's Registrar and Share Transfer Agent, named above.

By Order of the Board

N K Khurana

Director (Finance) and
Company Secretary

Place: Kolkata
Date: 24th May, 2018



Notice

EXPLANATORY STATEMENT

[Pursuant to Section 102 (1) Of the Companies Act, 2013 (the Act)]

Attached to the Notice convening the Twenty Fourth Annual General Meeting to be held on 8th August, 2018.

ITEMS NO. 3 and 4

Mr. Rishab Mohan Gupta, (DIN - 05259454), (Mr. RMG) has been associated with the Company since 1st January, 2008 and has worked in various capacities in the Company. He was elevated to the position of Executive Vice President from 1st August, 2015 and has been actively involved in the business of Aviation Products and Services as well as international business development. He has been overseeing the business operations of Rossell Techsys and Rossell Hospitality Divisions of the Company. He is aged about 31 years and did his education from Suffolk University, Boston, USA. He carries considerable responsibilities in the Company and as part of the Senior Management Team is also involved in Strategy and Policy decision making at the Corporate Level.

Keeping the above in view, the Nomination and Remuneration Committee of the Board of Directors of the Company at its Meeting held on 9th February, 2018, has identified Mr. RMG as a fit and proper person to be elevated as a Director of the Company. Accordingly, the Committee recommended his appointment as an Additional Director on the Board of the Company to hold office till the conclusion of this Annual General Meeting. The Committee also recommended his appointment as a Whole Time Director of the Company, subject to approval of the Members at this Annual General Meeting.

Since Mr. RMG is a Related Party within the meaning of Section 2 (76) of the Act as well as Regulation 2 (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Audit Committee of the Board at their Meeting held on 9th February, 2018, endorsed the recommendation of the Nomination and Remuneration Committee and recommended to the Board, the appointment of Mr. RMG as a Whole Time Director, for a period of 3 years, commencing from 9th February, 2018 till 8th February, 2021, in compliance with the Company's Policy on Related Party Transactions and the provisions of Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also received a notice under Section 160(1) of the Act from one of the Members of the Company signifying their intention to propose the candidature of Mr. RMG for the office of Director of the Company.

Based on the recommendations of the Nomination and Remuneration Committee and the Audit Committee, the Board of Directors in their Meeting held on 9th February, 2018, has approved the appointment of Mr. RMG as a Whole Time Director for a period of 3 years, commencing from 9th February, 2018 till 8th February, 2021, subject to approval by the Members of the Company by way of Special Resolution, at a remuneration to be paid to him as approved by the Nomination and Remuneration Committee at its Meeting held on 27th March, 2018 in accordance with the Remuneration Policy of the Company and detailed below:

1. Salary:

₹ 5,00,000 only per month in the range of ₹ 3,00,000– ₹ 6,00,000 Annual increments to Mr. RMG during his tenure shall be based on the recommendation of the Nomination and Remuneration Committee within the aforesaid scale in accordance with the Remuneration Policy of the Company and approval of such increment by the Audit Committee in accordance with the Policy on Related Party Transactions.

2. Perquisites and Allowances:

The quantum of perquisites and allowances in such form and in such manner, as may be decided from time to time by the Nomination and Remuneration Committee, Audit Committee and the Board of Directors, shall be restricted to the following ceilings. Within the specified ceiling, Mr. RMG shall be entitled to following perquisites and allowances:

- i) Special Allowance: Not exceeding 40% of Salary.
- ii) Servants: Provision of servants not exceeding three in numbers or servant allowance not exceeding 10% of salary.
- 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 during the present tenure of his appointment.
- iv) Club Subscriptions: Monthly subscriptions for not more than 3 clubs.
- v) Leave Travel Allowance: For self and family, once in the year in accordance with the Rules of the Company.
- vi) Contribution to Provident Fund and Gratuity Fund: As per Rules of the Company.
- vii) Earned Leave as per Rules of the Company. Leave not availed shall be allowed to be encashed.

Notice

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 as per Income Tax Act, 1961 as provided under Section 2 (78) of the Act.

3. Minimum Remuneration:

In the event of loss or inadequacy of profit in any Financial Year during the tenure of Mr. RMG, 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 (A) proviso of Schedule V to the Act. Accordingly, approval is being obtained from the Members by Special Resolutions. In that event, the above Salary, Allowances and Perquisites shall be payable as Minimum Remuneration, as applicable.

4. Overall Remuneration:

The overall remuneration payable to Mr. RMG 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 198 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.

5. Disentitlement to Director's Fees:

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

6. Duties:

Mr. RMG shall be responsible for the development of the entire business segment of Aviation Products and Services as well as international business development thereof. He shall continue to oversee the performance of other Divisions of the Company and also perform such other duties, as may be entrusted to him by the Board from time to time and separately communicated to him.

Your Directors feel that with his broad vision and future plans, the Company would continue to grow in size. The Directors recommend adoption of the proposed resolutions for appointment of Mr. RMG as a Director as well as a Whole Time Director of the Company.

None of the Directors, Key Managerial Personnel or their relatives, other than Mr. RMG himself and Mr. H.M. Gupta, in his capacity as his father, are concerned or interested in the proposed Special Resolutions at Items No. 3 and 4 of the Notice.

ITEM NO. 5

The existing tenure of appointment of Mr. H. M. Gupta, (DIN - 00065973), Executive Chairman, (Mr. Gupta) as Managing Director has expired on 31st March, 2018. In view of the fact, the Board of Directors, at its Meeting held on 27th March, 2018 has approved the re-appointment of Mr. Gupta as Managing Director designated as Executive Chairman for a further period of 3 (Three) years i.e. for the period from 1st April, 2018 to 31st March, 2021, on the terms and conditions, including remuneration effective from the date of his re-appointment to be settled further subject to approval of the Nomination and Remuneration Committee of the Board as well as the Audit Committee of the Board.

Since Mr. Gupta is a Related Party within the meaning of Section 2(76) of the Act as well as Regulation 2 (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of the Board at their Meeting held on 23rd May, 2018, has approved the terms of his re-appointment in compliance with the Company's Policy on Related Party Transactions and the provisions of Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Nomination and Remuneration Committee of the Board also reviewed, approved and recommended to the Board the terms of re-appointment of Mr. Gupta in accordance with the Remuneration Policy of the Company at its Meeting held on 23rd May, 2018.

Based on the recommendations of the Audit Committee and the Nomination and Remuneration Committee of the Board, the Board of Directors at their Meeting held on 24th May, 2018 has approved the terms of re-appointment of Mr. Gupta for a further period of 3 years commencing from 1st April, 2018 till 31st March, 2021, subject to approval by the Members of the Company by Special Resolution, at a remuneration to be paid to him as approved by the Nomination and Remuneration Committee in accordance with the Remuneration Policy of the Company and detailed below: