

ROSSELL INDIA LIMITED



Date: 12th July, 2019

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| Department of Corporate Services BSE Limited Ground Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400 001 Scip Code: 533168 | National Stock Exchange of India Limited Listing Department, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol : ROSSELLIND | The Secretary The Calcutta Stock Exchange Ltd., 7, Lyons Range, Kolkata – 700 001 |
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Dear Sirs,

Sub: Annual Report for the Financial Year 2018-2019 along with Notice convening the 25th Annual General Meeting.

In terms of Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the Notice convening the 25th Annual General Meeting (25th AGM) along with the Annual Report of the Company for the Financial Year 2018-2019. The 25th AGM of the Company will be held on Friday, 9th August, 2019, at 10:30 a.m. at the Kalakunj, 48, Shakespeare Sarani, Kolkata 700 017.

Please be advised that in terms of Section 91 of the Companies Act, 2013 read with rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Register of Members and Share Transfer Books of the Company will remain closed from 3rd August, 2019 to 9th August, 2019 (both days inclusive) for the purpose of the 25th AGM.

The Notice of 25th AGM along with the Annual Report for the Financial Year 2018-2019 is also being made available on the website of the Company at www.rossellindia.com.

You are requested to take the above on records.

Yours faithfully,
For ROSSELL INDIA LTD.

(N K KHURANA)
DIRECTOR (Finance) and
COMPANY SECRETARY

Encl: As above



ROSSELL INDIA LIMITED

Annual Report 2018 -2019



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**AEROSPACE
AND DEFENSE**



KEBAB XPRESS

Corporate Information

BOARD OF DIRECTORS

H. M. Gupta, *Executive Chairman (KMP – Chief Executive Officer)*
Dr. S. S. Bajjal, *Non-Executive-Independent Director* – upto 31st March, 2019
H. M. Parekh, *Non-Executive-Independent Director* – upto 31st March, 2019
V. P. Agarwal, *Non-Executive-Independent Director* – upto 31st March, 2019
N. Palchoudhuri, *Non-Executive-Independent Director*
K. Katyal, *Non-Executive-Independent Director* – w.e.f. 1st April, 2019
A. Shukla, *Non-Executive-Independent Director* – w.e.f. 1st April, 2019
N. K. Khurana, *Director (Finance) and Company Secretary (KMP – Chief Financial Officer)*
R. M. Gupta, *Whole-Time Director*

AUDIT COMMITTEE

Dr. S. S. Bajjal, *Non-Executive-Independent Director (Chairman)* – upto 31st March, 2019
H. M. Parekh, *Non-Executive-Independent Director (Member)* – upto 31st March, 2019
V. P. Agarwal, *Non-Executive-Independent Director (Member)* – upto 31st March, 2019
N. Palchoudhuri, *Non-Executive-Independent Director (Member) (Chairman – w.e.f. 1st April, 2019)*
K. Katyal, *Non-Executive-Independent Director (Member)* – w.e.f. 1st April, 2019
A. Shukla, *Non-Executive-Independent Director (Member)* – w.e.f. 1st April, 2019

NOMINATION AND REMUNERATION COMMITTEE

H. M. Parekh, *Non-Executive-Independent Director (Chairman)* – upto 31st March, 2019
Dr. S. S. Bajjal, *Non-Executive-Independent Director (Member)* – upto 31st March, 2019
V. P. Agarwal, *Non-Executive-Independent Director (Member)* – upto 31st March, 2019
N. Palchoudhuri, *Non-Executive-Independent Director (Member) – (Chairman – w.e.f. 1st April, 2019)*
K. Katyal, *Non-Executive-Independent Director (Member)* – w.e.f. 1st April, 2019
A. Shukla, *Non-Executive-Independent Director (Member)* – w.e.f. 1st April, 2019

STAKEHOLDERS' RELATIONSHIP COMMITTEE

H. M. Parekh, *Non-Executive-Independent Director (Chairman)* – upto 31st March, 2019
V. P. Agarwal, *Non-Executive-Independent Director (Member)* – upto 31st March, 2019
N. Palchoudhuri, *Non-Executive-Independent Director (Member)* – w.e.f. 1st April, 2019
K. Katyal, *Non-Executive-Independent Director (Member) - (Chairman – w.e.f. 1st April, 2019)*
N. K. Khurana, *Director (Finance) and Company Secretary (Member)*

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Dr. S. S. Bajjal, *Non-Executive-Independent Director (Chairman)* – upto 31st March, 2019
V. P. Agarwal, *Non-Executive-Independent Director (Member)* – upto 31st March, 2019
N. Palchoudhuri, *Non-Executive-Independent Director (Member)* – w.e.f. 1st April, 2019
K. Katyal, *Non-Executive-Independent Director (Member) - (Chairman – w.e.f. 1st April, 2019)*
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
Vikram Malhotra – 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 **11** Report of the Board of Directors **12** Independent Auditors' Report **62**
Balance Sheet **70** Profit and Loss Statement **71** Cash Flow Statement **72** Statement of Changes in Equity **74**
Notes to the Financial Statements **75**



Notice

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Rossell India Limited will be held on Friday, 9th August, 2019, 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 the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. H. M. Gupta (DIN - 00065973), who retires by rotation, and, being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. **Appointment of Mr. Krishan Katyal (DIN- 00765487) as an Independent Director:**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:-

RESOLVED THAT Mr. Krishan Katyal (DIN- 00765487), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st April, 2019 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 Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), as amended from time to time, the appointment of Mr. Krishan Katyal (DIN - 00765487), who meets the criteria for independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1) (b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and thus eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of three years commencing from 1st April, 2019 up to 31st March 2022, be and is hereby approved.

4. **Appointment of Mr. Ajai Shukla (DIN -06459352) as an Independent Director:**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Ajai Shukla (DIN - 06459352), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st April, 2019 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 Director of the Company."

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations), as amended from time to time, the appointment of Mr. Ajai Shukla (DIN -06459352), who meets the criteria for independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1) (b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and thus eligible for appointment as an Independent Director of the Company, for a term of One year commencing from 1st April, 2019 up to 31st March 2020, be and is hereby approved.



Notice

5. Ratification of Cost Auditor's Remuneration:

To consider and if thought fit, to pass the following resolution as an 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 & 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, 2020, be paid remuneration as set out in the Explanatory Statement annexed to the Notice.

Place: Delhi
Date: 24th May, 2019

By Order of the Board
N K Khurana
Director (Finance) and
Company Secretary
FCS - 2173

Registered Office:

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

NOTES

1. **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.

2. 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
3. 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.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 3rd August, 2019 to 9th August, 2019 (both days inclusive) for the purpose of the 25th AGM.
5. 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.
6. Information under Regulation 26(4) and 36 (3) of the SEBI Listing Regulations and as required under Secretarial Standard 2 issued by the Institute of Company Secretaries of India, relating to Directors proposed to be appointed / re-appointed is Annexed to this Notice.
7. 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.
8. **Members are requested to bring the Attendance Slip duly filled in along with their copy of Annual Report to the Meeting.**
9. 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.



Notice

10. 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 2010-2011 along with corresponding Equity Shares thereto were transferred to Investor Education and Protection Fund (IEPF) Authorities of the Central Government during the Financial Year 2018-2019:

| | |
|--|----------------------|
| Amount of Unpaid Dividend pertaining to the Financial Year 2010-2011 transferred to IEPF | Rs. 1,66,843 |
| No. of Corresponding Shares transferred to IEPF | 20,495 Equity Shares |

Accordingly, the Company would be transferring the unpaid final dividend and corresponding unclaimed shares for the year ended 31st March 2012, during September, 2019 to IEPF. Those Members, who have not so far encashed their Dividend Warrants from the year ended 31st March, 2012 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>.

11. 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 31,120 Equity Shares of the Company belonging to 57 Members are lying therein as on 31st March, 2019, since the date of opening of the Account. During the Financial Year 2018-2019, 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, 2,250 Equity Shares of the Company belonging to 13 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.

12. 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
Email ID: rta@cbmsl.co / ranarc@cbmsl.co**

13. 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 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.

SEBI had vide Notification No. SEBI/LAD-NRO/ GN/2018/24 dated 8th June, 2018 and SEBI/LAD-NRO/ GN/2018/49 dated 30th November, 2018 read with BSE circular no. list/comp/15/2018-19 dated 5th July, 2018 and NSE circular no. NSE/CML/2018/26 dated 9th July, 2018 directed that transfer of securities would be carried out in dematerialised form only with effect from 1st April, 2019, except in case of transmission or transposition of securities. However Members can continue to hold shares in physical form. Accordingly, Shareholders holding securities in physical form were separately communicated by CB Management Services Pvt. Ltd (RTA) on 10th July, 2018 (by Speed Post) and on 11th August, 2018



Notice

and 12th September, 2018 (by Ordinary Post) at their registered address. In view of the above and to avail free transferability of shares and the benefits of dematerialization, members are requested to consider dematerialize shares held by them in physical form. Members may note that Transfer deed(s) once lodged prior to 1st April, 2019 and returned due to deficiency in the document may be re-lodged even after the 1st April, 2019 with the office of the CB Management Services Pvt. Ltd., Kolkata or at the Registered Office of the Company. The Company will abide by the guidelines issued by Statutory Authorities from time to time in the matter.

14. 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.
15. 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.
16. 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.
17. The route map showing directions to reach the venue of the 25th Annual General Meeting is annexed at end of this Notice as per the requirement of the Secretarial Standards-2.
- 18. 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.

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 Tuesday, 6th August, 2019 (9.00 a.m. IST) and ends on Thursday, 8th August, 2019 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 2nd August 2019, 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 2nd August, 2019.
 - 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.
19. 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
FCS - 2173

Place: Delhi

Date: 24th May, 2019

Registered Office:

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



Notice

EXPLANATORY STATEMENT

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

Attached to the Notice convening the Twenty Fifth Annual General Meeting to be held on 9th August, 2019.

ITEMS NO. 3 & 4

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Krishan Katyal (DIN- 00765487) and Mr. Ajai Shukla (DIN - 06459352) as Additional Directors of the Company and also Independent Directors, not liable to retire by rotation, for a term as stated in the respective resolution, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 79 of the Articles of Association of the Company, each of these Directors shall hold office up to the date of this 25th Annual General Meeting ("AGM") and are eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from two different Members, proposing their candidature for the office of Directors.

The Company has received declarations from both of them to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act read with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, each of these Directors fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as Independent Directors and is independent of the management of the Company.

A brief profile of the Independent Directors to be appointed is given below:

Mr. Krishan Katyal is a commerce graduate from St. Xavier's College, Kolkata and has over four decade of experience in Tea Industry. He retired as the Chairman of J. Thomas and Company Private Limited, oldest and largest tea auction firm in the world. He is a professional tea tester and auctioneer, specialized with Darjeeling and premium quality Assam Orthodox and CTC. He has been an ambassador for Indian Tea, having conducted generic tea promotions at various international venues from 2001 onwards on behalf of Tea Board of India, Indian Tea Association, Darjeeling Tea Association & United Planters' Association of Southern India. He has been a member of the Tea Advisory Committee appointed by the Ministry of Commerce from 2004 to 2006. He is a member on Committees of Tea Research Association, Calcutta Tea Traders Association and Guwahati Tea Auction Committee. He is also a member of the North Indian Tea Council constituted by the Tea Board of India. He has been Special Invitee to the Board of the Tea Board of India. He is a speaker/ presenter at several international Tea Conventions and Conferences.

Mr. Ajai Shukla did his schooling from The Lawrence School, Sanawar, Shimla Hills in 1975, and straightaway joined the National Defence Academy, Khadakvasla. During his three years there, he was awarded a graduate degree from the Jawaharlal Nehru University. Later, he obtained his master's degree from Madras University and then went on to do a master's degree in War Studies from King's College, London, UK. Before taking up journalism in 2001, he was a combat soldier for over two decades, serving multiple tenures in Jammu & Kashmir, Nagaland, Manipur, Arunachal Pradesh, Punjab and Rajasthan. He was selected for a yearlong deputation with the UN Peacekeeping Mission in Mozambique. In 2001, he opted for premature retirement after commanding a prestigious armoured regiment, Hodson's Horse. At present he works as Consulting Editor (Strategic Affairs) with the daily business newspaper, Business Standard. He writes on strategic affairs, defense policy, budgeting and procurement, force structuring and India's defense economy and defense technology. He also writes for international publications, including The New York Times, The Wall Street Journal, Guardian, South China Morning Post and professional journals like the London-based Royal United Services Institute (RUSI) journal. He speaks at various forums and establishments, including the War Colleges of the army, navy and air force.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations the appointment of Mr. Krishan Katyal and Mr. Ajai Shukla as Independent Directors is now being placed before the Members for their approval.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out at Item Nos. 3 & 4 of this Notice except Mr. Krishan Katyal and Mr. Ajai Shukla themselves.

The Board recommends the adoption of the proposed Ordinary Resolutions at Item Nos. 3 and 4 of this Notice for approval of the Members.



Notice

ITEM NO. 5

The Board, upon recommendation of the Audit Committee, has approved the appointment of M/s. Shome & Banerjee, Cost Accountants (Registration No. 000001) as Cost Auditors to conduct the audit of the Cost Records maintained in respect of products of Rossell Tea and Rossell Techsys Divisions of the Company for the Financial Year ending 31st March, 2020 at a remuneration of ₹ 1,20,000 (Rupees one lakh twenty thousand) plus applicable Taxes thereon and reimbursement of actual out of pocket expenses.

In terms of provision of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration payable to the Cost Auditors is subject to ratification by the Members of the Company.

Accordingly, the consent of the Members is sought by way of Ordinary Resolution in this regard. The Directors recommend the proposed Ordinary Resolution for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the proposed Ordinary Resolution at Item No. 5 of the Notice.

Place: Delhi
Date: 24th May, 2019

Registered Office:

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

By Order of the Board

N K Khurana
*Director (Finance) and
Company Secretary*
FCS - 2173



Notice

Details of Directors seeking appointment and re-appointment at the 25th AGM [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

| Particulars | (1) | (2) | (3) |
|---|--|--|--|
| Name of the Director | Mr. H.M. Gupta | Mr. Krishan Katyal | Mr. Ajai Shukla |
| Date of Birth | 13th September, 1954 | 31st July, 1956 | 23rd January, 1959 |
| Date of Appointment | 10th June, 1994 as Director 1st May, 1996 as Managing Director | 1st April, 2019 | 1st April, 2019 |
| Qualifications | B. A. (Hons.) | B.Com. | M.A |
| Expertise in specific functional areas | Over 44 years of rich experience in International Trade and Business besides having comprehensive knowledge of Tea and Aviation Industry. | Over 40 years of experience as a professional tea tester and auctioneer, specialized with Darjeeling and premium quality Assam Orthodox and CTC. | Over 20 years of experience as combat soldier and around 18 years of experience in the field of Journalism and media. |
| Companies in which he/she holds Directorship | <ul style="list-style-type: none"> Rossell India Ltd Harvin Estates Private Ltd. BMG Investments Private Ltd. BMG Enterprises Ltd. | <ul style="list-style-type: none"> Rossell India Ltd. | <ul style="list-style-type: none"> Rossell India Ltd. |
| Chairman / Member of the Committees of the Board of the Companies on which he/she is a Director | NIL | Member/Chairman of the following Committee of Rossell India Ltd. <ul style="list-style-type: none"> Audit Committee Nomination and Remuneration Committee Stakeholders Relationship Committee - Chairman. CSR Committee - Chairman | Member of the following Committee of Rossell India Ltd. <ul style="list-style-type: none"> Audit Committee Nomination and Remuneration Committee |
| Number of shares held in the Share Capital of the Company | 18,72,751 Equity Shares of Rs. 2 each fully paid up. | NIL | NIL |



Notice

ROUTE MAP TO THE VENUE OF TWENTY FIFTH ANNUAL GENERAL MEETING OF ROSSELL INDIA LIMITED



📍 Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017



Report of the Board of Directors

for the year ended 31st March, 2019

Dear Members,

Your Directors have pleasure in presenting their Twenty Fifth Annual Report together with the Audited Accounts for the year ended 31st March, 2019

FINANCIAL SUMMARY HIGHLIGHTS

₹ in Lakhs

| Particulars | Year ended 31st March 2019 | Year ended 31st March 2018 |
|--|-------------------------------|-------------------------------|
| Profit before finance cost and Depreciation | 2,100.22 | 1,524.24 |
| Less : Finance Cost | 1,054.60 | 718.40 |
| Profit before Depreciation | 1,045.62 | 805.84 |
| Less : Depreciation | 995.84 | 967.08 |
| Profit before Exceptional Items | 49.78 | (161.24) |
| Exceptional Items | 11.00 | - |
| Profit before Taxation | 38.78 | (161.24) |
| Less : Provision for current Taxation | 23.00 | 35.00 |
| Deferred Taxation adjustment | (41.14) | (220.46) |
| Profit After Taxation | 56.92 | 24.22 |
| Other Comprehensive Income (Net of Tax) | (6.49) | (28.95) |
| Total Comprehensive Income | 50.43 | (4.73) |

SHARE CAPITAL

The issued, subscribed and paid up share capital of the Company as on 31st March, 2019 was at ₹ 733.93 lakh divided into 3,66,96,475 Equity Shares of ₹ 2 each. During the year under review, the Company has not issued any shares with differential voting rights, employee stock options and sweat equity shares.

APPROPRIATION OF PROFIT AFTER TAX FOR TRANSFER TO RESERVES

During the Financial Year 2018-2019, no amount was separately transferred to General Reserve in terms of the first proviso to section 123(1) of the Companies Act, 2013.

DIVIDEND

Keeping the financial performance of the Company in view, your Directors did not recommend any Dividend for the current Financial Year, the profit available was kept as retained earnings.

THE STATE OF COMPANY'S AFFAIRS

REVENUE

The gross revenue of your Company including sale of Tea, Black Pepper, avionics equipment, receipts from technical and support services and sale of food and beverages by Kebab Xpress has increased to ₹ 24,868 lakhs for the year under review as against ₹ 19,852 lakhs in the previous year reflecting a growth of 20.17 %.

PERFORMANCE

Rossell Tea

The Directors' view with satisfaction the performance of Rossell Tea Division for the financial year 2018-19 despite it being an extremely challenging year. The Division continued to reinforce its USP of being a quality producer of Tea throughout the year in spite of inclement weather in Upper Assam. High quality and fully compliant Orthodox and CTC Teas were outturned. "Rossell Tea" clearly remains the benchmark for the Industry in both the categories for its customers in the domestic and global markets

Our Tea production inclusive of Bought Leaf during the financial year was 55.06 lakh kgs which was 3.40% higher than the previous year's production of 53.25 lakh kgs. This was the 2nd highest crop ever manufactured after the financial year 2013-14.

Own crop was 52.73 lakh kgs. this year vis-à-vis 50.72 lakh kgs. last year, thus recording an increase of about 4%.

The own production has been steadily growing year on year and we expect a record production in 2019.



Report of the Board of Directors

Both the CTC and Orthodox categories opened firm in the beginning of the year, however the Orthodox prices dropped during the peak period due to sanctions imposed by USA on Iran, improving only during the tail end of the year in November, 2018.

The prices of the CTC Teas at the top end of the pyramid were marginally lower for the Industry. Your company produced 28.59 lakh kgs. of CTC Teas as compared to 25.97 lakh kgs. in the previous year and 25.89 lakh kgs. of Orthodox variety of Teas as against 27.11 lakh kgs. in the previous year.

Our Orthodox averages are ₹ 237.33 per Kg. as against ₹ 229.21 per Kg. in the previous year and in the CTC category ₹ 213.68 per Kg. as against ₹ 208.03 per Kg.

In both the categories of Tea our averages are significantly higher than the Industry averages for Assam estates which are ₹ 203 for Orthodox and ₹ 173 for CTC.

Exports during the fiscal was 6.74 lakh kgs. as against 9.42 lakh kgs in the previous year. Exports were impacted due to subdued Orthodox prices and sanctions imposed on Iran. To obviate this, we sold more Teas in the Domestic market at higher rates.

Our product-mix allowed us to realize the best possible value for our Teas. Improved productivities and efficiency, higher crop and prices ensured that we were able to obviate the unprecedented hike in wages and other inputs and also fuel costs. The turnover has increased from ₹ 11,515 lakhs to ₹ 12,179 lakhs, the highest for the Division in the last 5 years. There was an unprecedented wage hike of 22%, the fuel costs increased by around 20%, finance costs were up by 12% and other input costs up by about 5-6%. However, your Division has been able to absorb all these costs remarkably well.

Aviation Products and Services

Rossell Techsys Division focuses on export oriented business opportunities, in the aerospace and defense domain, with target global Original Equipment Manufacturers (OEMs) and has successfully added additional orders with two of the largest military / defense manufacturer in the world, Boeing and Lockheed Martin. The emphasis on local domestic business continues to be minimal at the moment and confined to opportunities that provide skill development for anticipated future export business. All export business obtained by the Division is on a global complete basis, with increased emphasis on cost.

The Division successfully maintained its certifications, such as AS9100, ISO9001, ISO14001, ISO27001, and the BS18001. During the year, it acquired the distinction of being the first Aerospace and Defense Company in India to achieve full compliance to the ISO31000 standards for risk mitigation and management. The Division is also accredited by CEMILAC, India's only military airworthiness certification body.

Aerotech Services Division has five contracts for providing post sales technical support for Original Equipment Manufacturers (OEMs) equipment fitted on various Indian platforms of the three services viz Indian Air Force, Indian Army and Indian Navy as well as Hindustan Aeronautics Ltd. The Field Service Engineers continue to perform the tasks to the satisfaction of the OEM.

Rossell Hospitality

During the year under review, Kebab Xpress commenced two more Delivery outlets in Delhi NCR and closed down one store owing to loss making due to high rentals. The revenue increased by approx. 13% over last financial year. All energies are currently engaged towards building the delivery side of business, which is promising.

PROSPECTS

Rossell Tea

Major producers Sri Lanka and Kenya have had a reasonably good start to their 2019 season. Till end-March the Sri Lankan crop is similar to the previous year. Kenya up to end-February is 11 million kgs ahead though there are reports of a lower crop harvest in March/April due to scanty rainfall.

In India too the crop to March-end is ahead by 12 million kgs., with most of the increase coming from North India and that too from the Small growers segment. It is expected that the April crop will be slightly lower. Our estates too have recorded a good harvest in March and the production in April is similar to that in the previous year. We have harvested a record March/April combined crop this season.

The Orthodox market so far has been consistently performing well owing to pending orders from Iran, favorable terms for business with Iran in Rupee term and also the recent security problem at Sri Lanka.

With the increase in production in India year on year and consumption not in sync, the carryover stocks have built up which is adversely impacting the prices of the CTC variety, which is currently lower than the previous year's levels. We however expect Quality CTC teas to command a premium from the 2nd flush onwards.



Report of the Board of Directors

Your Company has the flexibility to switch production between CTC and Orthodox depending on market conditions and this is being done to maximize Revenue.

The US now disbanding the waiver given to China, India, Japan, South Korea and Turkey for importing oil from Iran will surely impact the economy in Iran and shall also impact the Rupee/Rial payment mechanism. As the Government policy in India in this regard seems uncertain at the moment, we will have to wait slightly more before we have clarity on the matter. However, all out efforts are being made by the Rossell team to increase exports wherever possible, with the existing customers at UK, Germany, UAE, USA, etc and aggressively approaching the new markets in China and USA to export maximum possible volumes during the current fiscal to minimize this uncertainty for exports to Iran.

The buyers in UK, USA, Canada, Germany, Australia and Japan insist on procuring compliant and safe Teas from certified vendors and we had limitations as only one of our estate Romai had the certification.

However, from April 2019 all our group estates are 'Rainforest Alliance' certified and there is much more enquiry for our Teas both in the Domestic and Overseas markets.

The uncertainty with Brexit may impact the exchange rate, but shall not have much impact on exports to UK.

With the substantial increase in wages and other inputs the cost structure of Tea companies has gone up substantially during the last two years. Whilst most Tea companies have recorded losses during the fiscal, Your Company has recorded profits and shall continue to be the Benchmark in the Industry.

Aviation Products and Services

Rossell Techsys Division has seen the nature of the Request For Proposals (RFPs) received expand into areas such as complex consoles, box builds, Automated Test Equipment (ATE's) and electrical panel assemblies. This is a good sign as it is an indication of the growing stature, credibility and trust of the Division. It has received multiple Request For Proposals (RFPs) from various divisions of Boeing, Lockheed Martin (LM) and also opportunities with the US federal government.

The Division has also signed up teaming agreements aimed at making inroads with (a) US government and (b) exploring opportunities with Israeli Defence.

Efforts are being made by Division's US reps to obtain direct US government businesses and also tap into the remaining big size defense manufacturers such as Raytheon, Northrup Grumman, BAE systems, General Dynamics etc.

Aerotech Services Division continue to provide support services as per prevailing contracts.

Rossell Hospitality

The emergence of digital technologies have been consistently creating an opportunity for the food industry. Digital mediums are more often being used by different brands to connect with consumers. Online ordering both in house and through food aggregators with integrated payment options provides a new dimension to customer experience. The in-house team and external agency have been continuously aligning our business strategy towards the digital side and the stage-wise implementation of all findings, which have been resulted in growth of revenues by over 91% in Delivery channel and simultaneously reduction in losses by 37% at outlet level over the previous year. Your Division focused to capitalise on the dynamic change in the market place.

CHANGE IN NATURE OF BUSINESS

There has been no change in any business and all the Divisions of the Company continue to concentrate on their own business with growth plans in short to medium terms.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors at its Meeting held on 11th March, 2019, appointed Mr. Krishan Katyal (DIN-00765487) and Mr. Ajai Shukla (DIN-06459352) as Additional Director with the status of Non-Executive Independent Directors with effect from 1st April, 2019, subject to approval of the Members at the ensuing Annual General Meeting pursuant to Sec. 150 (2) and other applicable provisions of the Companies Act, 2013. Both of them shall vacate the office as Additional Director on the date of the ensuing Annual General Meeting. The Board recommends their appointment to the office of Director at the same Meeting pursuant to Sec. 160(1) and other applicable provisions of the Companies Act, 2013.

Earlier, at the same Meeting, pursuant to Regulation 17(1A) of the SEBI Listing Regulations, 2015, Dr. S.S. Baijal, Mr. H.M. Parekh and Mr. V.P. Agarwal, Independent Directors, all having attained the age of 75 years, resigned from their respective office with effect from 1st April, 2019.

The Board places on record its heartiest gratitude and appreciation for the valuable advices and continuous guidance received from all the retiring Directors and feel that their prolonged stewardship to the Board shall go a long way for the overall growth of the Company.



Report of the Board of Directors

The detailed composition of the Board of Directors has been provided in the Corporate Governance Report enclosed as **Annexure -1** to this report.

The following persons continued as Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013:

- a) Mr. H. M. Gupta – Managing Director - Chief Executive Officer (CEO)
- b) Mr. N. K. Khurana – Director (Finance) - Chief Financial Officer-cum- Company Secretary (CFO cum CS)
- c) Mr. R. M. Gupta – Whole Time Director

Remuneration and other details of the Key Managerial Personnel for the Financial Year ended 31st March, 2019 are mentioned in the Extracts of the Annual Return in Form MGT-9 which is enclosed as **Annexure - 3** and forms part of this Report.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE AND OTHER MATTERS CONCERNING A DIRECTOR

In terms of the provisions of clause (e) of section 134(3) read with Section 178(3) of Companies Act, 2013, the Nomination and Remuneration Committee, while appointing a Director, takes into account the following criteria for determining qualifications, positive attributes and independence:

Qualification: Diversity of thought, experience, industry knowledge, skills and age.

Positive Attributes: Apart from the statutory duties and responsibilities, the Directors are expected to demonstrate high standard of ethical behavior, good communication and leadership skills and take impartial judgment.

Independence: A Director is considered Independent if he/she meets the criteria laid down in Section 149(6) of the Companies Act, 2013, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015.

BOARD AND COMMITTEE MEETINGS

The Board met five times during the year, further details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations). The details of all Committees of the Board and their Meetings have been given in the Corporate Governance Report enclosed as **Annexure -1** to this report.

INDEPENDENT DIRECTOR'S DECLARATION

The Declarations required under Section 149(7) of the Companies Act, 2013 from the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, was duly received by the Company.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and as stipulated under Regulations 17 to 27 of the SEBI Listing Regulations read with schedule II thereof. A separate report on Corporate Governance in terms of Regulation 34(3) read with clause C of Schedule V of the SEBI Listing Regulations along with certificate from the Practicing Company Secretary confirming the compliance, is annexed as **Annexure-1** and forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Company has a Policy on Corporate Social responsibility (CSR) duly approved by the Board and the same has been hosted on Company's website at www.rossellindia.com. The CSR budget for the Financial Year 2018-2019 was prepared in accordance with the provisions of Section 135 (5) of the Companies Act, 2013 read with the Company's CSR Policy. The amount so budgeted was fully spent on or before 31st March, 2019, the detailed report on CSR Activities/ Initiatives is enclosed as **Annexure-2** which forms part of this Report.

ANNUAL PERFORMANCE EVALUATION

In terms of the relevant provisions of the Companies Act 2013 and SEBI Listing Regulations, 2015 the Board had carried out an annual evaluation of its own performance and that of its Committees as well as individual Directors.

During the year, the performance evaluation was done at two levels - by the Independent Directors at their separate Meeting as well as by the Board. First, the Independent Directors at their separate Meetings held on 5th February, 2019 reviewed the performance of the Executive Chairman and other Executive Directors with reference to the questionnaire prepared in terms of the Criteria specified by SEBI vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017. They also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.



Report of the Board of Directors

Subsequently, the Board at its Meeting held thereafter on the same day reviewed the performance of the Board as a whole, its Committees and individual Independent Directors of the Board as specified by SEBI in its aforesaid circular dated 5th January, 2017.

ANNUAL RETURN & EXTRACTS OF ANNUAL RETURN

In compliance with Section 134 (3)(a) of the Companies Act, 2013, the Annual Return of the Company shall be made available on the website of the Company at www.rossellindia.com.

In terms of Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is enclosed as **Annexure- 3**.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) read with Regulation 22 of the SEBI Listing Regulations, your Company has duly established Vigil Mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conducts or ethics policy. Audit Committee of the Board monitors and oversee the vigil mechanism.

The detailed policy related to this vigil mechanism is available in the Company's website at www.rossellindia.com.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 and confirm that:

- (a) in the preparation of the annual accounts for financial year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the financial year ended 31st March, 2019, and of the profit and loss of the company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- (d) The Directors had prepared the annual accounts for the Financial Year ended 31st March, 2019 on a 'going concern basis
- (e) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

The Statutory Auditor of your Company M/s. Khandelwal Ray & Co. Chartered Accountants, Kolkata (Firm Regn. No. 302035E), were appointed for a period of 5(Five) consecutive Financial Years at the 23rd Annual General Meeting, held on 4th August, 2017 pursuant to Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014.

The report given by the Auditors on the Financial Statement of the Company for the year under review, forms part of this Annual Report. There has been no qualification, reservation or adverse remark or disclaimer given by the Auditors in their report.

The Notes to the Financial Statements are also self-explanatory and do not call for any further comments.

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with Rule 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to have the audit of its cost accounting records relating to products manufactured by Rossell Tea Division and Rossell Techsys Division. M/s. Shome & Banerjee, Cost Accountants, conducted this audit for the Previous Financial Year ended 31st March, 2018 and submitted their report to the Central Government on 6th September, 2018.

In terms of Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company has, on the recommendation of the Audit Committee, re-appointed M/s. Shome & Banerjee, Cost Accountants as the Cost Auditor of the Company for the financial year 2019-2020.



Report of the Board of Directors

Their remuneration is required to be ratified by the Members in the ensuing Annual General Meeting.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. A.K. Labh & Co., Practicing Company Secretaries as the Secretarial Auditors of the Company for the financial year 2018-2019. The report of the Secretarial Auditors in Form MR-3 is enclosed as **Annexure-4** to this report.

The report confirms that the Company had complied with the statutory provisions listed under Form MR-3 and the Company also has proper Board Processes and Compliance Mechanism. The Report does not contain any qualification, reservation or adverse remark or disclaimer, which requires any further comments or explanations in this report.

RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis and are in the ordinary course of business, in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at Large. All related party transactions are presented to the Audit Committee and the Board, if required for approval. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. Policy on Related party transactions, as approved by the Board is uploaded on the Company's website at the weblink: <http://www.rossellindia.com/financialresult/Policy%20on%20Related%20Party%20Transactions.pdf>

Necessary disclosure of Related Party Transactions in terms of clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is given in Form AOC-2 as **Annexure-5** to this report.

LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not granted any inter-corporate loan, neither provided any Guarantee in connection with any loan to any party nor made any investment in terms of the provisions of Section 186 of the Companies Act, 2013. However, during the year under review, your Company has taken inter-corporate loan from BMG Enterprises Ltd and BMG Investments Pvt. Ltd. in compliance with the provisions of Section 186 of the Companies Act, 2013 with outstanding amount as on 31st March, 2019 being ₹ 480 lakhs and ₹ 231 lakhs respectively. Particulars of existing Investments made by the Company, as required to be disclosed in terms of Section 134 (1) (g) of the Companies Act, 2013 is given in the accompanying financial statement (Note No. 6)

STATEMENTS OF SUBSIDIARIES / JOINT VENTURES

Since the wholly owned Subsidiary Company, CAE Rossell India Limited did not carry out any business since its incorporation, your Board, at its Meeting held on 8th August, 2018, recommended for making necessary application for removal of the name of the subsidiary from the Register of Companies. In view of the same, CAE Rossell India Ltd made an application in Form STK-2 to the Registrar of Companies on 4th February, 2019 vide SRN H43958636 for removal of its name from the Register of Companies, in terms of Section 248(2) of the Companies Act, 2013 read with relevant rules framed thereunder. Hence as on 31st March, 2019, your Company do not have any active Subsidiary Company.

Your Company had a Joint venture entity named RV Enterprises Pte. Ltd., Singapore in which Company held 13% Equity Shares as on 31st March, 2019.

However, by an agreement executed by and between the parties to the Joint Venture, the arrangement ceased to remain Joint Venture with Company shareholding reduced to 13% with changed status as Minority Shareholder. In view of this, the Company does not have any Associate Company within the meaning of Section 2(6) of the Companies Act, 2013 on and from that date. Hence the Company is not required to prepare Consolidated Financial Statement any more in terms of Section 129(3) of the Companies Act, 2013.

RISK MANAGEMENT POLICY

Your Company's business faces various risks - strategic as well as operational in respect of all its Divisions. The Company has an adequate risk management system, which takes care of identification, assessment and review of risks as well as their mitigation plans put in place by the respective risk owners. The risks which were being addressed by the Company during the year under review included risks relating to market conditions, environmental, information technology etc. The Company has developed and implemented the Risk Management Policy with an objective to provide a more structured framework for proactive management of all risks related to the business of the Company and to make it more certain that growth and earnings targets as well as strategic objectives are met.

The major risks and concerns being faced by various business segments of the Company are discussed in report on Management



Report of the Board of Directors

Discussion and Analysis, forming part of this Report as **Annexure-8**.

The Audit Committee of the Board reviews the risk assessment and minimization procedure in the light of the Risk Management Policy of the Company.

In the opinion of the Board, there is no such element of risk which may threaten the present existence of the Company.

REMUNERATION POLICY

The Company follows a policy on Remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. Further details on the same have been given in the Report on Corporate Governance, as **Annexure - 1** of this report.

The required disclosure under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure - 6** to this report.

HUMAN RESOURCES

Your Company treats its "human resources" as one of the most important assets. The Management of the Company lays continuous focus on human resources, who are trained and updated on various issues from time to time to attain the required standards. The correct recruitment practices are in place to attract the best technical manpower to ensure that the Company maintains its competitive position with respect to execution. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis.

Industrial relations at all the units remain satisfactory, your Company employed 6,371 personnel on its roll as on 31st March, 2019.

Details of employee remuneration as required to be provided in terms of the provisions of Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure- 7**, forming part of this Report.

PREVENTION OF SEXUAL HARASSMENT

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Separate Internal Complaint Committees have been set up in for every Divisions of the Company to redress complaints received regarding sexual harassment in respect of each Division. However, during the year under review, the Company has not received any complaint of alleged sexual harassment from any of its Divisions.

AWARDS AND RECOGNITION

The Rossell Techsys Division was the recipient of the "company of the year – 2019" given by the International Aerospace Magazine, and duly received in the month of February 2019.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There is no significant or material order passed by any Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROLS

Your Company has adequate Internal Financial Control System at all levels of Management and they are reviewed from time to time. The Internal Audit is carried out by firms of Chartered Accountants for all the Divisions of the Company. The Audit Committee of the Board looks into Auditor's review, which is deliberated upon and corrective action taken, where ever required.

TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In compliance with the provisions of Section 124 (5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, a sum of ₹ 1,66,843 being the dividend lying unclaimed out of the dividend declared by the Company for the Financial Year 2010-2011 were transferred to IEPF on 12th September, 2018 . The details of the said unclaimed dividend transferred is available at the website of the Company at <http://www.rossellindia.com/financials.html>.

Similarly, During the period under review 20,495 Equity Shares pertaining to financial year 2010-2011 have been transferred to IEPF Authorities vide Corporate Action dated 3rd October, 2018 in compliance with the provisions of Section 124 of the Companies Act, 2013 and Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 after sending letters to those Shareholders and also making an advertisement in the newspapers in this regard. Details of these shares transferred to IEPF are available on the website of the Company at <http://www.rossellindia.com/financials.html>.



Report of the Board of Directors

DEPOSITS

Your Company has not accepted any deposits from public in terms of provisions contained in Chapter V of the Companies Act, 2013, or in terms of corresponding provisions of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on the Management Discussion and Analysis concerning all the business segments of the Company is given as **Annexure-8** to this report.

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

(a) Conservation of energy

| | | |
|-------|--|--|
| (i) | The steps taken or impact on conservation of energy | Machinery up-gradation and replacement of equipment is in regular process at the Tea factories of Rossell Tea Division, with a view to conserve Fuel, Electrical Energy and other resources. Initiatives undertaken during the financial year 2018-19 are as follows; <ul style="list-style-type: none"> a) Installation of single phasing preventers on the 3-phase Motors to avoid damage to motors, due to single phasing to reduce downtime. b) Replacement of in-efficient induction motors of Dryers and Rolling Tables with Energy Efficient motors towards energy conservation and saving in power. c) Input of Tractor mounted spraying machines, to save on manpower requirement at two estates. d) Sprucing the 400V LT panel with better MCCB for eliminating leakages and thereby saving on power at one of the Estates. e) Installation of an AquaeroTherm1250H/HiPr, Solid fuel fired air heater, of high Thermal Efficiency having steady heat output for Coal conservation. Electrical conservation is also done due to the balanced draft system instead of induced draft type, for reduction in excess air requirement. f) Procurement of new Ancoo Color Sorter for improved Sorting of Orthodox teas and higher produce. g) Rossell Hospitality Division continues to replace Conventional lighting with LED lights which is brighter and also saves energy and are Eco friendly. Daily utility tracker process is in place to avoid any misuse of energy at Outlet level. |
| (ii) | The steps taken by the company for utilizing alternate sources of energy | Study of the possibility of using Solar power at two Estates of Rossell Tea Division continues. |
| (iii) | The capital investment on energy conservation equipment. | ₹ 111.30 lakhs. |

(b) Technology absorption

| | | |
|------|---|---|
| (i) | The efforts made towards technology absorption | In-house seminar, discussions with experts and training programmes have been ongoing for innovative ideas of production and knowledge updating. The concerned staff members are also sponsored to attend various seminars and workshops for their improvement in various aspects of functioning of the Company. In respect of Rossell Hospitality Division - Transformation from two different Point of sale software (Dine in & Delivery) to one software has resulted in manpower efficiency in output. The Division continues to use of electric Combi oven (clean & eco-friendly) which has resulted in substantial savings compared to the use of coal and gas earlier. |
| (ii) | The benefits derived like product improvement, cost reduction, product development or import substitution | There has been an overall improvement in product quality and labor productivity, resulting in economy of cost. |



Report of the Board of Directors

| | | |
|-------|--|--|
| (iii) | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | There has been no import of any technology. However at one of the Estates one Color Sorter Machine, Ancoo SD2 Double Stage for Orthodox Sorting operation, was imported from China, |
| (a) | The details of technology imported | The machine imported as above, is for removal of Stalk and cleaning of teas, by full color 4096 Pixel CCD camera and Lens. |
| (b) | The year of import; | The machine was imported during June 2018. |
| (c) | Whether the technology been fully absorbed | Not applicable for technology. However, the machine imported above, is being operated efficiently. |
| (d) | If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | Not applicable. |
| (iv) | The expenditure incurred on Research and Development | The Company is a Member of Tea Research Association, Kolkata, which is registered under Sec. 35 (1) (ii) of the Income tax Act, 196. A contribution of ₹ 18.49 lakhs during the year towards subscription by Rossell Tea Division. |

c) Foreign Exchange Earnings and Outgo

During the year, the total foreign exchange used was ₹ 255.27 lakhs on account of various expenses and ₹ 8,096.28 lakhs for imports of raw materials, stores as well as capital goods. The total foreign exchange earned was ₹ 12,450.31 lakhs.

MATERIAL CHANGES AND COMMITMENTS

You Directors confirm that there are no material changes and commitments, affecting the financial position of the company, which has occurred between the end of the financial year of the Company and the date of this report.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the business associates, shareholders and other stakeholders of the Company for their continued support.

For and on behalf of the Board
Rossell India Limited

Place : Delhi
Date : 24th May, 2019

H.M.Gupta
Executive Chairman
DIN : 00065973



Annexure 1 to the Report of the Board of Directors

REPORT ON CORPORATE GOVERNANCE - 2018-2019

In accordance with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'SEBI Listing Regulations'] read with Clause C of Schedule V thereof, the details of compliance by the Company with the norms on Corporate Governance are as under:

1. Company's Philosophy on Code of Governance:

Your Board of Directors unequivocally supports the principles of Corporate Governance. Your Company espouses the cause of long term success in all areas of its business and commits itself to achieving this by outstanding standards of productivity, quality and performance. It continues to evolve, learn and adapt for the common good of its stakeholders.

Your Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

Your Company places great emphasis on values such as empowerment and integrity of its employees, well-being of the employees and communities surrounding our Tea Estates and other Business Establishments. Your Company is committed to transparency in decision making process, fair and ethical dealings with all its business associates, pollution free clean environment and last but not the least, accountability to all the stakeholders.

Your Company is further committed to the well-being of communities in general in the society through meaningful "Corporate Social Responsibility" initiatives.

2. Board of Directors

2.1 Composition and Category of Directors:

The composition of the Board of Directors of the Company represents an optimum combination of Executive and Non-executive Directors having professionalism, knowledge, skills and experience. The Board comprises of well in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations as on 31st March, 2019 with Seven (7) Directors divided in to four (4) Non-Executive Directors and three (3) Executive Directors headed by the Executive Chairman, Mr. H.M. Gupta.

Composition of the Board, as on 31st March, 2019 as well as till the date of this report, is given hereunder:

| Name of the Director | DIN | Designation | Category of Directors |
|----------------------------|----------|--|-----------------------|
| Mr. H.M. Gupta | 00065973 | Chairman | Executive |
| Dr. S.S. Bajjal * | 00027961 | Independent Director | Non-Executive |
| Mr. H.M. Parekh * | 00026530 | Independent Director | Non-Executive |
| Mr. V. P. Agarwal * | 00083912 | Independent Director | Non-Executive |
| Ms. Nayantara Palchoudhuri | 00581440 | Independent Director | Non-Executive |
| Mr. N.K. Khurana | 00123297 | Director (Finance) and Company Secretary | Executive |
| Mr. R. M. Gupta | 05259454 | Whole Time Director | Executive |
| Mr. Krishan Katyal** | 00765487 | Independent Director | Non-Executive |
| Mr. Ajai Shukla ** | 06459352 | Independent Director | Non-Executive |

* The Board of Directors, at its Meeting held on 11th March, 2019, has received and accepted resignations from Dr. S. S. Bajjal, Mr. H. M. Parekh and Mr. V.P. Agarwal from Directorships, effective from 1st April, 2019.

All of the above Independent Directors attained the age of 75 years as on 31st March, 2019 and keeping in view of the spirit of the Regulation 17(1A) of SEBI Listing Regulations, 2015, they tendered their resignation with effect from 1st April, 2019.

** The Board, at the same Meeting held on 11th March, 2019, has appointed Mr. Krishan Katyal (DIN-00765487) and Mr. Ajai Shukla (DIN-06459352) as Non-Executive Independent Directors with effect from 1st April, 2019, subject to approval of the members at the ensuing Annual General Meeting.

Except Mr. H. M. Gupta and Mr. R. M. Gupta, being father and son belonging to the Promoters Group, none of the other Directors have any inter-se relationship among themselves and/or with any Key Managerial Personnel of the Company.

2.2 Board Meeting Procedure.

The Board has complete access to any information within the Company. Agenda papers containing all necessary information/documents are made available to the Board/Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. The information as specified in the Listing Regulations is regularly made available to the Board, whenever applicable, for discussion and consideration. The Company adheres to the Secretarial Standard-1 on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The Board



Annexure 1 to the Report of the Board of Directors

periodically reviews compliance by the Company with the applicable laws/statutory requirements concerning the business and affairs of the Company.

Post Meetings, all important decisions taken at the Meeting are communicated to the concerned Divisions and Persons. Action Taken Report is prepared and reviewed periodically by the Executive Chairman and the Company Secretary for the action taken / pending to be taken.

2.3 Attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting

During the year under review, Five Board Meetings were held viz. 24th May, 2018, 8th August, 2018, 13th November, 2018, 5th February, 2019, and 11th March, 2019. The maximum interval between any two consecutive Meetings did not exceed 120 days.

The last Annual General Meeting was held on 8th August, 2018.

Details of Directors attendances during the year were as under:

| Director | No. of Board Meetings Attended | Whether attended Last AGM |
|----------------------------|--------------------------------|---------------------------|
| Mr. H.M. Gupta | 5 | Yes |
| Dr. S.S. Bajjal | 5 | Yes |
| Mr. H.M. Parekh | 4 | No |
| Mr. V. P. Agarwal | 5 | Yes |
| Ms. Nayantara Palchoudhuri | 5 | Yes |
| Mr. N.K. Khurana | 5 | Yes |
| Mr. R. M. Gupta | 5 | Yes |

2.4 Separate Meeting of Independent Directors:

As stipulated by Regulation 25 (3) of the SEBI Listing Regulations and Section 149(8) read with Clause VII of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 5th February, 2019, without the attendance of Non-Independent Directors. All the Independent Directors were present in that Meeting. The following Matters were inter-alia considered in that Meeting:

- 2.4.1 Reviewed the performance of non-independent Directors and the Board as a whole in accordance with the criteria specified by SEBI vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017;
- 2.4.2 Reviewed the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors in terms of the aforesaid circular of SEBI;
- 2.4.3 Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

2.5 Number of other Boards or Board Committees in which he/she is a member or Chairperson:

As stipulated in Regulation 25(1) of the SEBI Listing Regulations, none of the Directors acts as an Independent Director in more than 7 Listed Companies and none of the Independent Directors is a whole time Director in any Listed Company. Further, in compliance with Regulation 26 of the SEBI Listing Regulations, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31st March, 2019, are given below:-

| Director | No. of Companies | | |
|----------------------------|------------------|--------------------|--------|
| | Member of Board | Board Committees # | |
| | | Chairman | Member |
| Mr. H.M. Gupta | 2 | NIL | NIL |
| Dr. S.S. Bajjal | 1 | 1 | 1 |
| Mr. H.M. Parekh | 7 | 5 | 10 |
| Mr. V. P. Agarwal | 1 | NIL | 2 |
| Ms. Nayantara Palchoudhuri | 7 | NIL | 4 |
| Mr. N. K. Khurana | 2 | NIL | 1 |
| Mr. R. M. Gupta | 1 | NIL | NIL |



Annexure 1 to the Report of the Board of Directors

In terms of Regulation 26(1)(b) of the SEBI Listing Regulations only Chairmanship/Membership of Audit Committee and Stakeholders' Relationship Committee of public limited companies (whether Listed or not) have been considered.

2.6 Name of other listed entities where Directors of the company are Directors and the category of Directorship:

| Name of Director | Name of other listed entities in which the concerned Director is a Director | Category of Directorship |
|----------------------------|---|--------------------------|
| Mr. H.M. Gupta | NIL | N.A. |
| Dr. S.S. Baijal | NIL | N.A. |
| Mr. H.M. Parekh | Gillanders Arbuthnot & Co. Ltd. | Independent Director |
| | Williamson Magor & Co. Ltd. | Independent Director |
| | Rasoi Ltd. | Independent Director |
| | Diana Tea Co. Ltd. | Independent Director |
| | The Grob Tea Co. Ltd. | Independent Director |
| | The Peria Karamalai Tea & Produce Co. Ltd. | Independent Director |
| Mr. V. P. Agarwal | NIL | NIL |
| Ms. Nayantara Palchoudhuri | Tide Water Oil Co India Ltd | Independent Director |
| | Vesuvius India Ltd. | Independent Director |
| | Ludlow Jute Specialties Ltd. | Independent Director |
| Mr. N. K. Khurana | NIL | NIL |
| Mr. R. M. Gupta | NIL | NIL |

2.7 Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's various businesses segments (Plantation i.e. Cultivation and production of black tea/ black pepper, Aviation & defense technology and Hospitality industry), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
- iv) Financial Management and Business Administration skills.
- v) Technical / Professional skills and specialized knowledge in relation to Company's business.

2.8 Familiarization Programmes imparted to Independent Directors:

Existing Independent Directors were already familiar with the nature of the industry and its operation since they had been associated with the Company for a substantial period of time. The Independent Directors are well aware of their duties and responsibilities as set out in their terms of appointment and expected time commitments. As per prevailing practice, each newly appointed Independent Director is taken through a formal induction program including the presentation from the Executive Chairman as well as various Business Heads on the Company's production, marketing, finance and other important aspects. The Company Secretary briefs the Director about his/her legal and regulatory responsibilities as a Director. Newly appointed Independent Directors are provided with necessary documents, reports and internal policies etc. to enable them to familiarize themselves with the Company's procedures and practices. The induction for Independent Directors includes interactive sessions with Executive Directors, Business and Functional Heads, Visit to the Tea Estates/ plant/ site etc. Further details on familiarization programme is available on the website of the Company at the web link - http://www.rossellindia.com/policies_of_the_company.html

2.9 Compliance of Code of Conduct:

The Board of Directors has laid down a Code of Conduct for Business and Ethics for all the Board Members and all the employees in the Senior Management grade of the Company. The said code, as amended from time to time is available on the Company's website at the web link - http://www.rossellindia.com/code_of_conduct.html all the Board Members and Senior Management personnel have confirmed compliance with the code. A declaration to that effect, signed by the Chief



Annexure 1 to the Report of the Board of Directors

Executive Officer, in terms of Regulation 26(3) read with Part-D of Schedule V of the SEBI Listing Regulations, is attached and forms part of this Annual Report.

In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has also approved and laid down the followings codes:

- i) Rossell Insider Code to regulate, monitor and report Insider Trading by the Company's Directors, Employees and other Connected Persons.
- ii) Rossell Code of Fair Disclosure to ensure Fair and timely Disclosure of Unpublished Price Sensitive Information to the Stock Exchanges.

In terms of Regulation 8 of the said Regulation, "Rossell Code of Fair Disclosure" is available on the Company's website at the web link http://www.rossellindia.com/code_of_conduct.html.

Mr. N. K. Khurana, Director (Finance) and Company Secretary, acts as the Compliance Officer as well as Chief Investor Relation Officer under these Regulations.

2.10 Committees of the Board:

The Committees of the Board play an important role in the Corporate Governance and focus on specific areas and make informed decisions within the authority delegated. Each Committee is guided by its terms of reference, which provides for the scope, powers duties and responsibilities of the Committee. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairman of respective Committee updates the Board regarding the discussions held/decisions taken at the Committee Meeting.

The Board has constituted the following Committees:

- a) Audit Committee,
- b) Nomination and Remuneration Committee,
- c) Stakeholders Relationship Committee and
- d) Corporate Social Responsibility Committee

Pursuant to Regulation 21 of the SEBI Listing Regulations, 2015, the constitution of Risk Management Committee of the Board is mandatory for top 500 listed Companies, determined on the basis of Market Capitalization and hence the same is not required for your Company.

In view of the fact, the Board of Directors, at its Meeting held on 11th March 2019, has dissolved the Risk Management Committee of the Board and empowered the Audit Committee to oversee the Risk Management system of the Company.

3. Audit Committee:

3.1 Brief description and Composition

The Board has constituted a well-qualified Audit Committee. All the four members of the Committee are Non-Executive Independent Directors including the Chairman. The Chairman of the Committee has in-depth knowledge in the areas of Finance and Accounts. The Committee has been meeting as and when required and at least once in every quarter of the Financial Year.

The Audit Committee of the Company is comprised of the following Directors as on 31st March, 2019:

| SI. No. | Name | Category of Director | Chairman/ Members |
|---------|----------------------------|---------------------------|-------------------|
| 1. | Dr. S.S. Baijal | Non-Executive Independent | Chairman |
| 2. | Mr. H. M. Parekh | Non-Executive-Independent | Member |
| 3. | Mr. V. P. Agarwal | Non-Executive-Independent | Member |
| 4. | Ms. Nayantara Palchoudhuri | Non-Executive-Independent | Member |



Annexure 1 to the Report of the Board of Directors

Composition of the Audit Committee as on the date of the report is as under:

| Sl. No. | Name | Category of Director | Chairman/ Members |
|---------|----------------------------|---------------------------|-------------------|
| 1. | Ms. Nayantara Palchoudhuri | Non-Executive Independent | Chairperson |
| 2. | Mr. Krishan Katyal | Non-Executive-Independent | Member |
| 3. | Mr. Ajai Shukla | Non-Executive-Independent | Member |

3.2 Terms of reference

The terms of reference of the Audit Committee broadly cover the areas specified in Regulation 18(3) read with Schedule II, Part - C of the SEBI Listing Regulations and Sec. 177 of the Companies Act, 2013 and briefly described below:

- 3.2.1** To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 3.2.2** To recommend the appointment, remuneration and terms of appointment of the Statutory Auditors, Cost Auditors and Internal Auditors of the Company;
- 3.2.3** Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 3.2.4** Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by Management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in the draft audit report, if any.
- 3.2.5** To review with management, the quarterly financial statements before submission to the board for approval;
- 3.2.6** Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in the matter;
- 3.2.7** To review and monitor the Auditor's independence and performance and effectiveness of the Audit Process;
- 3.2.8** Approval or any subsequent modification of transactions of the Company with related parties;
- 3.2.9** Scrutiny of Inter-corporate loans and Investments;
- 3.2.10** Valuation of undertakings or assets of the Company, wherever it is necessary;
- 3.2.11** Evaluation of internal financial controls and risk management systems;
- 3.2.12** Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 3.2.13** Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 3.2.14** Discussion with internal auditors of any significant findings and follow up there on;
- 3.2.15** Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 3.2.16** Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 3.2.17** To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;



Annexure 1 to the Report of the Board of Directors

- 3.2.18** To review the functioning of the Whistle Blower/ Vigil mechanism;
- 3.2.19** Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 3.2.20** Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 3.2.21** Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- 3.2.22** The Audit committee also reviews the following information:
- Management discussion and analysis of financial condition and results of operations;
 - statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses;
 - The appointment, removal and terms of remuneration of the Internal Auditors for various Divisions of the Company. And
 - Statement of deviations of issue proceeds, in case of any further issue of shares.

3.3 Meetings and attendance during the year

During the year under review, 4 Meetings of the Audit Committee were held viz. 23rd May, 2018, 8th August, 2018, 13th November, 2018 and 5th February, 2019.

The composition and attendance of the members at the Audit Committee Meetings as on 31st March, 2019 are as follows:

| Name | Category of Director | Chairman/ Members | No. of Audit Committee Meetings Attended |
|----------------------------|---------------------------|-------------------|--|
| Dr. S.S. Bajjal, | Non-Executive-Independent | Chairman | 4 |
| Mr. H.M. Parekh | Non-Executive-Independent | Member | 3 |
| Mr. V. P. Agarwal | Non-Executive-Independent | Member | 4 |
| Ms. Nayantara Palchoudhuri | Non-Executive-Independent | Member | 4 |

The Company Secretary acts as the Ex-Officio Secretary to the Committee. Statutory Auditors, Cost Auditors and Internal Auditors attend the Meeting whenever required. The Executive Chairman, Managing Director/Whole Time Director and other Senior Executives are also invited to attend and deliberate in the Meetings.

4. Nomination and Remuneration Committee:

4.1 Brief description and Composition :

The Board has duly constituted Nomination and Remuneration Committee of the Board in compliance with Section 178(1) of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations. The said committee comprises of three Non-Executive Independent Directors as on 31st March, 2019 as follows:

| Sl. No. | Name | Category of Director | Chairman/ Members |
|---------|-------------------|---------------------------|-------------------|
| 1. | Mr. H. M. Parekh | Non-Executive-Independent | Chairman |
| 2. | Dr. S.S. Bajjal | Non-Executive-Independent | Member |
| 3. | Mr. V. P. Agarwal | Non-Executive-Independent | Member |

Composition of the Nomination and Remuneration Committee as on the date of the report is as under:

| Sl. No. | Name | Category of Director | Chairman/ Members |
|---------|----------------------------|---------------------------|-------------------|
| 1. | Ms. Nayantara Palchoudhuri | Non-Executive Independent | Chairperson |
| 2. | Mr. Krishan Katyal | Non-Executive-Independent | Member |
| 3. | Mr. Ajai Shukla | Non-Executive-Independent | Member |



Annexure 1 to the Report of the Board of Directors

4.2 Terms of reference:

In accordance with Clause A, Schedule II, Part-D of the SEBI Listing Regulations read with Section 178(2) of the Companies Act, 2013, the Committee is empowered

- 4.2.1 To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration of Directors, Key Managerial Personnel and other employees;
- 4.2.2 To formulate criteria for evaluation/ performance appraisal of Independent Directors and the Board
- 4.2.3 To devise policy on Board diversity
- 4.2.4 To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- 4.2.5 To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent Directors

4.3 Remuneration policy :

The Company follows a policy on remuneration of Directors and Senior Management Employees as formulated by the Nomination and Remuneration Committee detailed hereunder:

- 4.3.1 The remuneration of an individual shall be dependent upon the following parameters concerning an individual:
 - a) Age,
 - b) Qualifications,
 - c) Experience,
 - d) Core Competence,
 - e) Career advancement,
 - f) Special Skill, if any
 - g) Performance in the context of the duties and responsibilities assigned,
 - h) Industry Criteria,
 - i) Other relevant factors
- 4.3.2 The level and composition of remuneration for each individual shall be reasonable and sufficient to attract, retain and motivate the person concerned, whether as Director or Key Managerial Personnel of the quality required to run the Company successfully;
- 4.3.3 Relationship of remuneration to performance should be clear and meets appropriate performance benchmarks as may be set up from time to time; and
- 4.3.4 Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of each of the Divisions of the Company and its goals:

4.4 Meeting and attendance during the year :

During the year under review, three Meetings of the Nomination and Remuneration Committee were held on 23rd May, 2018, 5th February, 2019 and 11th March, 2019.

| Name | No. of Nomination and Remuneration Committee Meetings Attended |
|------------------|--|
| Mr. H. M. Parekh | 3 |
| Dr. S.S. Bajjal | 3 |
| Mr. V. P Agarwal | 3 |

4.5 Performance Evaluation Criteria:

During the year, the performance evaluation was done at two levels - by the Independent Directors at their separate Meeting as well as by the Board. First, the Independent Directors at their separate Meetings held on 5th February, 2019 reviewed the performance of the Executive Chairman and other Executive Directors with reference to the questionnaire prepared in terms of the Criteria specified by SEBI vide its circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017. They also



Annexure 1 to the Report of the Board of Directors

assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board

Subsequently, the Board at its Meeting held thereafter on the same day reviewed the performance of the Board as a whole, its Committees and individual Independent Directors of the Board as specified by SEBI in its aforesaid circular dated 5th January, 2017.

5. Remuneration of Directors:

5.1 Pecuniary Relationship of Non-Executive Directors

The Company has no pecuniary relationship or transaction with its Non-Executive and Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings and Commission paid, if any, as approved by Members for their invaluable services to the Company.

5.2 Criteria of making payments to Non-Executive Directors:

The Non-Executive Independent Directors are entitled to receive sitting fees for attending the Meetings of the Board and various Committees of the Board of which they are members as well as commission on net profits of the Company, as approved by the Members. As on 31st March, 2019, your Company was making the payment of Sitting Fees as under:

| Meeting | Siting Fees |
|---|-----------------------------------|
| Meeting of the Board of Directors | ₹ 35,000 per Meeting per Director |
| Meeting of the Audit Committee of the Board | ₹ 25,000 per Meeting per Director |
| Meeting of other Committees of the Board | ₹ 5,000 per Meeting per Director |

The Company also reimburses the out-of-pocket expenses incurred by the Non-Executive Directors for attending Meetings. No payment by way of bonus, pension, incentives, stock options etc. was made to Non-Executive Directors.

5.3 Remuneration Paid to Directors:

The Minimum Remuneration as per Terms of Service paid to Managing Directors and Whole Time Directors during the year 2018-2019:

₹ In lakhs

| SI No. | Name of Directors | Salary and Allowances | Commission | Value of Perquisites | Total |
|--------|--|-----------------------|------------|----------------------|--------|
| 1 | Mr. H.M. Gupta, Executive Chairman | 96.00 | - | 15.09 | 111.09 |
| 2 | Mr. N. K. Khurana, Director(Finance) and Company Secretary | 50.81 | - | 3.90 | 54.71 |
| 3 | Mr. R. M. Gupta, Whole Time Director ⁴ | 81.60 | - | 1.23 | 82.83 |

1)Mr. H.M. Gupta (DIN 00065973)

Service contract: 1st April, 2018 to 31st March, 2021

Notice period : Three months

Severance Fee : Not Applicable

Re-appointment of Mr. H. M. Gupta as Managing Director designated as Executive Chairman was made by the Members in the 24th Annual General Meeting for a period of 3 years w.e.f. 1st April, 2018 till 31st March, 2021, by adopting Special Resolutions.

2)Mr. N. K. Khurana (DIN 00123297)

Service contract: 1st September, 2017 to 31st August, 2020

Notice period : Three months

Severance Fee : Not Applicable

Appointment of Mr. N.K. Khurana as Whole Time Director designated as Director (Finance) was made by the Members in the 23rd Annual General Meeting for a period of 3 years w.e.f. 1st September, 2017 till 31st August, 2020, by adopting Special Resolutions.

3)Mr. R. M. Gupta (DIN 05259454)

Service contract: 9th February, 2018 to 8th February, 2021



Annexure 1 to the Report of the Board of Directors

Notice period : Three months

Severance Fee : Not Applicable

Appointment of Mr. R. M Gupta, Whole Time Director was made by the Members at the 24th Annual General Meeting for a period of 3 years w.e.f. 9th February, 2018 till 8th February, 2021, by adopting Special Resolutions.

The sitting fees, commissions paid/payable to Non-Executive Directors during the financial year 2018-2019 and their shareholding in the Company as on 31st March, 2019 are as under:

₹ In lakhs

| Non-Executive Directors | Board Fees | Committee Fees | Total | Commission | No. of Shares held |
|----------------------------|------------|----------------|-------|------------|--------------------|
| Dr. S.S. Bajjal | 1.75 | 1.30 | 3.05 | - | 7,500 |
| Mr. H.M. Parekh | 1.40 | 1.15 | 2.55 | - | - |
| Mr. V. P. Agarwal | 1.75 | 1.55 | 3.30 | - | - |
| Ms. Nayantara Palchoudhuri | 1.75 | 1.05 | 2.80 | - | - |

Note: The above Fees and Commission excludes GST.

There are no stock option plans of the Company.

6. Stakeholders' Relationship Committee:

In terms of Regulation 20 of the SEBI Listing Regulations and Section 178(5) of the Companies Act, 2013, the Company has a duly constituted Stakeholders Relationship Committee to specifically look into the mechanism of redressal of investors' grievances and recommend measures for overall improvement in the quality of investor services.

The Committee consists of two Non-Executive Independent Directors and one Executive Director as under as on 31st March, 2019:

| Sl. No. | Name | Category of Director | Chairman/ Members |
|---------|-------------------|--|-------------------|
| 1. | Mr. H. M. Parekh | Non-Executive-Independent | Chairman |
| 2. | Mr. V. P. Agarwal | Non-Executive-Independent | Member |
| 3. | Mr. N. K. Khurana | Director (Finance) and Company Secretary | Member |

Composition of the Stakeholders Relationship Committee as on the date of the report is as under:

| Sl. No. | Name | Category of Director | Chairman/ Members |
|---------|----------------------------|--|-------------------|
| 1. | Mr. Krishan Katyal | Non-Executive-Independent | Chairman |
| 2. | Ms. Nayantara Palchoudhuri | Non-Executive-Independent | Member |
| 3. | Mr. N. K. Khurana | Director (Finance) and Company Secretary | Member |

6.1 Terms of Reference:

In accordance with Clause B, Schedule II, Part-D of the SEBI Listing Regulations, the terms of reference of the Stakeholders Relationship Committee are as under:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

6.2 Compliance Officer

Mr. N.K. Khurana, Director (Finance) and Company Secretary is designated as the Compliance Officer of the Company.

6.3 Meeting and Attendance

During the year under review, this Committee had Five meetings held on 23rd May, 2018, 8th August, 2018, 13th November, 2018, 5th February, 2019 and 11th March, 2019.



Annexure 1 to the Report of the Board of Directors

| Name | No. of Stakeholders Relationship Committee Meetings Attended |
|-------------------|--|
| Mr. H. M. Parekh | 4 |
| Mr. V. P. Agarwal | 5 |
| Mr. N.K. Khurana | 5 |

6.4 Shareholders' Complaints:

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

| | | |
|----|--|-----|
| a) | No. of complaints remaining unresolved as on 01.04.2018 | Nil |
| b) | No. of complaints received from shareholders during the year | 3 |
| c) | No. of complaints Resolved during the year | 3 |
| d) | No. of Complaints pending unresolved as on 31.03.2019 | Nil |

Shareholders' grievances are resolved expeditiously. There is no grievance pending as on date.

7. Corporate Social Responsibility (CSR) Committee:

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee of the Board is composed as under as on 31st March, 2019.

| Sl. No. | Name | Category of Director | Chairman/ Members |
|---------|-------------------|--|-------------------|
| 1. | Dr. S S Bajjal | Non-Executive-Independent | Chairman |
| 2. | Mr. V. P. Agarwal | Non-Executive-Independent | Member |
| 3. | Mr. N. K. Khurana | Director (Finance) and Company Secretary | Member |

Composition of the CSR Committee as on the date of the report is as under:

| Sl. No. | Name | Category of Director | Chairman/ Members |
|---------|----------------------------|--|-------------------|
| 1. | Mr. Krishan Katyal | Non-Executive-Independent | Chairman |
| 2. | Ms. Nayantara Palchoudhuri | Non-Executive-Independent | Member |
| 3. | Mr. N. K. Khurana | Director (Finance) and Company Secretary | Member |

The role of the CSR committee inter-alia includes:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the activities referred to in Clause (a) and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Such other activities as the Board of Directors may deem appropriate in accordance with Company's CSR policy.

The Board has adopted the CSR policy as formulated and recommended by the CSR Committee relating to various CSR activities undertaken / to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and the expenditure thereon. The CSR Policy is available on Company's website at www.rossellindia.com. Separate report on CSR activities for the Financial Year 2018-2019 is enclosed as **Annexure - 2** to the Boards' Report, forming part of this Annual Report

7.1 Meeting and Attendance:

During the year under review, the CSR Committee met twice i.e. on 24th May, 2018 and 11th March, 2019.

| Name | No. of CSR Committee Meetings Attended |
|-------------------|--|
| Dr. S S Bajjal | 2 |
| Mr. V. P. Agarwal | 2 |
| Mr. N. K. Khurana | 2 |



Annexure 1 to the Report of the Board of Directors

8. General Body Meetings:

Location and time where last three AGMs were held:

| Date | Location | Time |
|------------------|--|------------|
| 3rd August, 2016 | Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017 | 10:30 a.m. |
| 4th August, 2017 | Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017 | 10:30 a.m. |
| 8th August, 2018 | Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017 | 10:30 a.m. |

No resolution was passed by the Members through Postal Ballots in the previous financial year. In the Annual General Meeting held on 8th August, 2018, all the resolutions were adopted by electronic voting.

The following Special Resolutions were passed in the Annual General Meetings held since the last three years:

- 8.1 In the 22nd Annual General Meeting held on 3rd August, 2016, approval of the Members obtained for re-appointment of Mr. C. S. Bedi, Managing Director (DIN: 00123400) for a further period of 3 (Three) years i.e. for the period from 1st October, 2016 to 30th September, 2019 in terms of the provisions of Section 188, 196,197 and other applicable provisions of the Companies Act, 2013 read with Section I and Section II of Part II of Schedule V to the said Act.
- 8.2 In the 23rd Annual General Meeting held on 4th August, 2017, approval of the Members obtained for appointment of Mr. N. K. Khurana (DIN - 00123297) as the Whole Time Director of the Company, to be designated as Director (Finance) and Company Secretary for a period of 3 (Three) years commencing from 1st September, 2017 till 31st August, 2020 in terms of the provisions of Section 188, 196,197 and other applicable provisions of the Companies Act, 2013 read with Section I and Section II of Part II of Schedule V to the said Act.
- 8.3 In the 24th Annual General Meeting held on 8th August, 2018, approval of the Members obtained for appointment of Mr. Rishab Mohan Gupta (DIN - 05259454) 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 in terms of the provisions of Section 188, 196,197 and other applicable provisions of the Companies Act, 2013 read with Section I and Section II of Part II of Schedule V to the said Act.
- 8.4 In the 24th Annual General Meeting held on 8th August, 2018, approval of the Members obtained for 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 in terms of the provisions of Section 188, 196,197 and other applicable provisions of the Companies Act, 2013 read with Section I and Section II of Part II of Schedule V to the said Act.

No postal ballot by way of Special Resolution is proposed to be passed in the ensuing 25th Annual General Meeting.

9. Means of Communication:

- 9.1 Unaudited Quarterly results along with Limited Review Report are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with Regulation 33 of the SEBI Listing Regulations and published in leading newspapers such as Business Standard (English) (all editions) and Aajkal (Bengali) (Kolkata) in terms of Regulation 47 of the said Regulation. The quarterly results are simultaneously posted in the Website of the Company, www.rossellindia.com.
- 9.2 The Company has its own functional website www.rossellindia.com as required by the SEBI Listing Regulations, wherein a separate dedicated segment named 'Investors Information' has been created. All information and documents relating to quarterly and annual audited financial results, annual reports, quarterly shareholding pattern and information required to be disclosed under Reg. 30 and 46 of the SEBI Listing Regulations, etc. are regularly updated under that segment.
- 9.3 All material events/information relating to the Company that could influence the market price of its securities or investment decisions are timely disclosed to the Stock Exchanges as per the Company's 'Policy for Determination of Materiality of Events or Information for Disclosure to the Stock Exchanges', framed in terms of Regulation 30(4)(ii) of the SEBI Listing Regulations. All disclosures under this policy are also displayed on the Company's website www.rossellindia.com.
- 9.4 Management discussion and Analysis Report are covered by the Directors' Report.
- 9.5 No presentation was made to any Institutional Investor or Analyst during the year.
- 9.6 Company's E-mail address: corporate@rosselltea.com



Annexure 1 to the Report of the Board of Directors

10. General Shareholders' Information:

10.1 25th AGM date, time and venue:

9th August, 2019 at 10.30 A.M

At Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017

10.2 Financial calendar 2019-2020 (Tentative):

The Financial Year of the Company is April to March.

Tentative Publication of Results during the financial year 2019-2020 was as follows

| Result Period | Tentative time of publication |
|--|------------------------------------|
| 1st quarter ended 30th June, 2019. | First Fortnight of August, 2019 |
| 2nd quarter and Half year ended 30th September, 2019. | First Fortnight of November, 2019. |
| 3rd quarter ended 31st December, 2019. | First Fortnight of February, 2020. |
| Final Audited Results for the Financial Year 2019-2020 including for the 4th quarter ended 31st March, 2020. | Second Fortnight of May, 2020. |

10.3 Book Closure for the 25th AGM: From 3rd August, 2019 to 9th August, 2019 (both days inclusive).

10.4 Dividend Payment date: Not Applicable

10.5 Listing on Stock Exchanges:

The Company's securities are listed at:

| Sl No. | Stock Exchange |
|--------|---|
| 1. | National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 |
| 2. | BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 |
| 3. | The Calcutta Stock Exchange Ltd., 7, Lyons Range, Kolkata-700 001 |

Listing Fees as prescribed have been paid to all the aforesaid Stock Exchanges upto the Financial Year 2019-2020.

| Stock Exchange | Scrip Code |
|---------------------------------------|------------|
| National Stock Exchange of India Ltd. | ROSSELLIND |
| BSE Ltd., | 533168 |
| The Calcutta Stock Exchange Ltd. | 10028199 |

10.6 Stock Price Data:

There was no transaction of the Equity Shares of the Company at The Calcutta Stock Exchange Limited during the year ended 31st March, 2019. The Monthly High and Low Prices for trading of the Equity Share at BSE and NSE are as under:

| Month | BSE | | NSE | |
|-----------------|----------|---------|----------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2018 | 103.00 | 93.95 | 103.20 | 93.25 |
| May, 2018 | 104.85 | 79.50 | 104.00 | 79.50 |
| June, 2018 | 83.00 | 65.75 | 81.95 | 68.50 |
| July, 2018 | 75.05 | 64.10 | 76.50 | 65.20 |
| August, 2018 | 103.80 | 70.95 | 103.55 | 70.00 |
| September, 2018 | 94.95 | 70.25 | 93.10 | 70.60 |
| October, 2018 | 93.10 | 68.35 | 94.00 | 68.00 |
| November, 2018 | 96.45 | 83.05 | 97.65 | 82.85 |
| December, 2018 | 91.15 | 80.00 | 91.45 | 78.30 |
| January, 2019 | 88.60 | 75.20 | 89.60 | 75.60 |
| February, 2019 | 79.75 | 62.05 | 77.95 | 62.20 |
| March, 2019 | 74.50 | 65.15 | 74.50 | 64.95 |

On 2nd May, 2018 the stock price of your Company touched its 52 weeks high at ₹ 104.85 in BSE and ₹ 104.00 in NSE. The last traded price at the Bombay Stock Exchange on 24th May, 2019 was ₹ 54.05 and the same at NSE was ₹ 54.15

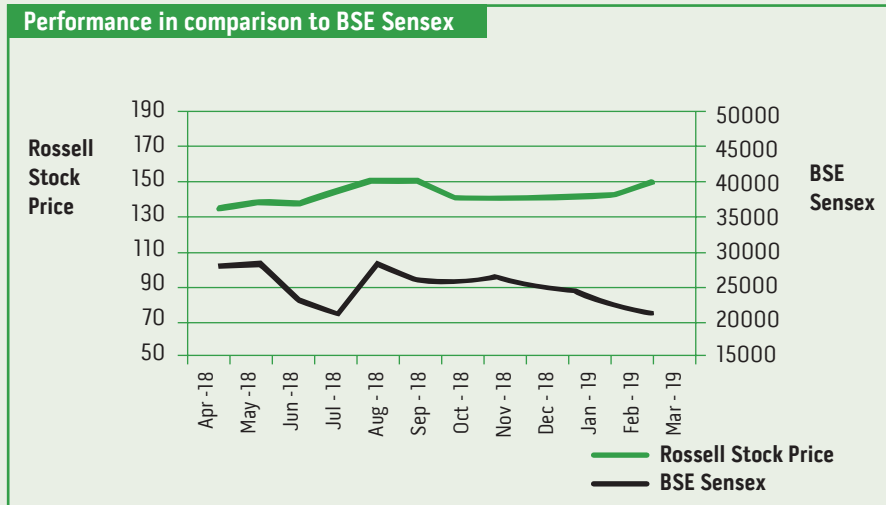


Annexure 1 to the Report of the Board of Directors

10.7 Stock Performance:

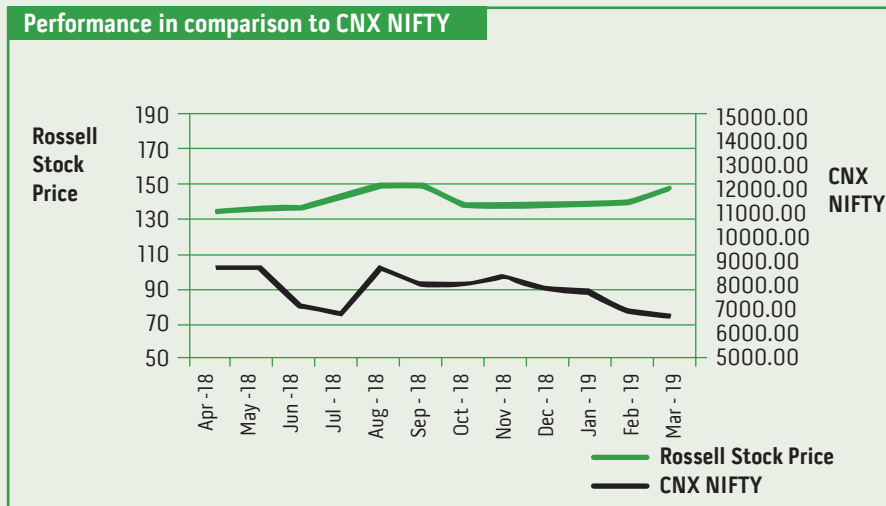
Company's Share Price vis-à-vis BSE Sensex:

(April, 2018 to March, 2019)



Company's Share Price vis-à-vis NSE CNX NIFTY:

(April, 2018 to March, 2019)



10.8 Share Transfer System:

All transfers, transmission or transposition of the shares of the Company are completed in compliance with the requirement of the Regulation 40 of SEBI Listing Regulations. Share Transfer requests, valid and complete in all respects, are normally processed within 15 days. The power to approve the transfers has been delegated by the Board to the Company Secretary and Compliance Officer for expediting the share transfer process. The Stakeholders Relationship Committee periodically reviews and takes on record the share transfer process.

As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form with effect from 1st April, 2019 and hence transfer of shares in physical form has been ceased with effect from that date. Shareholders who had lodged their request for transfer prior to 31st March, 2019 and have received the same under objection can re-lodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

The work relating to Registration of Transfer of shares are handled by CB Management Services Pvt. Ltd., Registrar and Transfer Agents of the Company.

The Company's shares are compulsorily traded in the demat form with effect from 29th January, 2001 for all categories



Annexure 1 to the Report of the Board of Directors

of shareholders. All electronic transfers are routed through the respective Accounts maintained with the Depository Participants (DPs) of the Investor.

ISIN Code No. allotted by NSDL/CDSL: INE 847C01020

Existing holders in physical mode are advised to open a Depository Account prior to any transaction.

10.9 Registrars and Share Transfer Agents:

All share management work both physical and demat are being handled by the Registrar and Share Transfer Agent of the Company whose name and address is given below:

CB Management Services Private Limited,

P-22, Bondel Road, Kolkata 700 019

Phn: (033) 40116700; 40116718; 40116729

Fax : (033) 4011 6739

Email: rta@cbmsl.com , ranarc@cbmsl.com

Web Site : www.cbmsl.com

10.10 Dematerialization of Shares:

As on 31st March, 2019, 3,61,21,383 Nos. of Equity Shares, representing 98.43 % of the Equity Capital have been held in dematerialised form with NSDL and CDSL.

10.11 (i) Distribution of shareholding as on 31st March, 2019

| Range | | No. of Shareholders | % of holders | No. Shares held | % of holding |
|--------------|--------|---------------------|---------------|--------------------|---------------|
| From | To | | | | |
| 1 | 500 | 6,451 | 85.67 | 8,80,266 | 2.40 |
| 501 | 1000 | 502 | 6.67 | 3,79,412 | 1.03 |
| 1001 | 2000 | 255 | 3.39 | 3,88,557 | 1.06 |
| 2001 | 3000 | 70 | 0.93 | 1,75,990 | 0.48 |
| 3001 | 4000 | 51 | 0.68 | 1,82,100 | 0.50 |
| 4001 | 5000 | 47 | 0.62 | 2,21,305 | 0.60 |
| 5001 | 10000 | 79 | 1.05 | 5,87,321 | 1.60 |
| 10001 | 50000 | 53 | 0.70 | 10,64,710 | 2.90 |
| 50001 | 100000 | 6 | 0.08 | 4,37,495 | 1.19 |
| 100001 | ABOVE | 16 | 0.21 | 3,23,79,319 | 88.24 |
| TOTAL | | 7,530 | 100.00 | 3,66,96,475 | 100.00 |

(ii) Shareholding pattern as at 31st March, 2019

| Category shareholders | No. of shareholder | No. of shareholding | % Shareholding |
|--|--------------------|---------------------|----------------|
| A. Promoters | | | |
| Indian Promoter (Individual) | 3 | 33,35,624 | 9.09 |
| Indian Promoter (Body Corporate) | 3 | 2,41,34,609 | 65.77 |
| Sub Total –A | 6 | 2,74,70,233 | 74.86 |
| B. Public – Institutional Holding | | | |
| State Government | 1 | 150 | 0.00 |
| Nationalised/Other Banks | 4 | 90,350 | 0.24 |
| Mutual Funds | 2 | 1,06,050 | 0.29 |
| Foreign Portfolio Investors | 1 | 28,13,417 | 7.67 |
| Sub Total - B | 8 | 30,09,967 | 8.20 |
| C.Public- Non Institutional Holding | | | |
| Bodies Corporate | 151 | 14,98,997 | 4.08 |
| Trust | - | - | - |
| Resident Individual (not exceeding Rs. 2 lacs) | 7,270 | 35,68,753 | 9.73 |
| Resident Individual (exceeding Rs. 2 lacs) | 2 | 8,33,431 | 2.27 |
| Non-Resident Indians | 80 | 68,914 | 0.19 |
| Clearing Members/ Corporates | 11 | 3,400 | 0.01 |
| Unclaimed Suspense Account | 1 | 31,120 | 0.08 |
| Investor Education and Protection Fund | 1 | 2,11,660 | 0.58 |
| Sub Total -C | 7,516 | 62,16,275 | 16.94 |
| Grand Total (A+B+C) | 7,530 | 3,66,96,475 | 100.00 |



Annexure 1 to the Report of the Board of Directors

| Shareholding Pattern | | Total Number of Equity Shares | 3,66,96,475 | 100.00% |
|--------------------------------------|--|--|-------------|---------|
| ■ % of Shares held by Promoter Group | | Number of Shares held by Promoter Group* | 2,74,25,663 | 74.74% |
| ■ % of Shares held by public | | Number of Shares held by Public | 92,70,812 | 25.26% |

*Not pledged or encumbered in any manner

10.12 Transfer of Unclaimed Dividend and Corresponding shares to Investor Education and Protection Fund:

Shareholders are requested to refer to the Notice of the 25th Annual General Meeting for the due dates for transfer of unclaimed dividends and corresponding shares for the year ended 31st March, 2012 to Investor Education and Protection Fund. This information is also posted in the Investor Relation section of the Company's website.

Shareholders, who have not yet encashed their dividend warrants, are requested to immediately contact the Company or its Registrar & Transfer Agents - CB Management Services Pvt. Ltd., P-22, Bondel Road, Kolkata-700 019 for claiming their unpaid/unclaimed dividends, if any.

During the year under review, your Company has transferred a sum of Rs. 1,66,843 being the dividend lying unclaimed out of the dividend declared by the Company for the Financial Year 2010-2011 to the Investor Education and Protection Fund on 12th September, 2018 pursuant to the provisions of Section 124 (5) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules.

10.13 Transfer of shares corresponding to dividend which have remained unclaimed for seven years and transferred to IEPF Suspense Account with NSDL.

During the period under review 20,495 Equity Shares pertaining to financial year 2010-2011 have been transferred to IEPF Authorities vide Corporate Action dated 3rd October, 2018 in compliance with the provisions of Section 124 of the Companies Act, 2013 and Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 after sending letters to those Shareholders and also making an advertisement in the newspapers in this regard. Details of these shares transferred to IEPF are available on the website of the Company at <http://www.rossellindia.com/financials.html>.

You may please note that in terms of Rule 7 of the IEPF Rules, shareholders can claim refund of the dividend amount as well as the corresponding shares transferred to IEPF Authorities, following the procedures laid down therein.

10.14 Disclosure relating to Demat Suspense Account/Unclaimed Suspense Account

In according with the Regulation 39 read with Schedule VI of the Listing Regulations, shareholders whose certificates were returned undelivered and lying with the Company were transferred and held by the Company in the dematerialized mode in the "Unclaimed Suspense Account" maintained with IL& FS securities services limited. These shares are released to the shareholders after proper verification of their identity, once the request is received from the concerned shareholder. The details of the shares held and released from the Suspense Account are as follows:-

| Particulars | No. of Shareholders | No. of Equity Shares |
|--|---------------------|----------------------|
| Aggregate number of shareholders and outstanding shares in the unclaimed suspense account at the beginning of the Financial Year 2018-2019. | 71 | 33,525 |
| Number of shareholders who approached the Company for transfer of shares and shares transferred from Unclaimed Suspense Account during 2018-2019. | 1 | 155 |
| Number of shares transferred to IEPF Authorities in compliance with the provisions of Section 124 of the Companies Act, 2013 and Rule 6 of the IEPF Rules. | 13 | 2,250 |
| Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2018 -2019. | 57 | 31,120 |

The voting rights on these shares will remain frozen till the rightful owner claims the shares.



Annexure 1 to the Report of the Board of Directors

10.15 Plant Locations:

The Company owns seven Tea Estates in Assam, as given below as on date. Each estate has its own well-equipped Factory for processing of Black Tea:

ASSAM

Dist. Dibrugarh

Dikom, Romai, Namsang

Dist. Tinsukia

Nokhroy

Dist. Baksa

Nagriajuli

Dist. Golaghat

Bokakhat

Dist. Jorhat

Kharikatia

Note: Particulars of Area under Tea, Crop & Yield are given later in the Report.

The **Design and Development unit of Rossell Techsys Division** is located at Bangalore at the following addresses:

No. 74, 3rd Cross, Export Promotional Industrial Park

Whitefield, Bangalore – 560 066

Rossell Hospitality Division of the Company has Twelve Indian Fast Food Outlets - “Kebab Xpress” at the following places as on 31st March, 2019:

| | | | |
|-----|--|-----|---|
| 1. | V3S MALL, LAXMI NAGAR G2 & G8, V3S Mall, Laxmi Nagar, New Delhi Delhi – 110092 | 2. | MOMENTS MALL, KIRTI NAGAR 2nd Floor, Food Court Moments Mall, Kirti Nagar, New Delhi Delhi - 110015 |
| 3. | PACIFIC MALL, SUBHASH NAGAR K9 & K10, Ground Floor Pacific Mall, Subhash Nagar, New Delhi – 110018 | 4. | DLF CYBER HUB, GURGAON 112, First Floor, DLF Cyber Hub, Gurgaon Haryana - 122002 |
| 5. | HUDA CITY CENTRE METRO STATION, GURGAON 6, Ground Floor, HUDA City Centre Metro Station, Gurgaon Haryana – 122002 | 6. | THE QUTUB TIFFIN, MEHRAULI Ground Floor, The Qutub Tiffin, Mehrauli, New Delhi Delhi – 110030 |
| 7. | SHIPRA MALL, INDIRAPURAM Second Floor, Food Court Shipra Mall, Vaibhav Khand Indirapuram Ghaziabad Uttar Pradesh – 201014 | 8. | Shop No. 118, First Floor, Unity One Mall, MLCP, Rohini West, New Delhi, Delhi-110085 |
| 9. | THE CROWN INTERIOZ MALL, Shop no.23, 2nd Floor, Sector 35, Mathura Road, Faridabad Haryana - 121003 | 10. | LOGIX MALL, 3rd Floor, FC-9, Food Court, Logix City Center , Sector-32, Noida Uttar Pradesh-201301 |
| 11. | C-3, Main Market, Malviya Nagar, New Delhi Delhi-110017 | 12. | C-61, Okhla Phase-1, New Delhi Delhi-110020 |
| 13. | 16A, Sant Nagar, East of Kailash, New Delhi-110065 | 14. | 103, Bhagat Singh Market, Gole Mkt, Connaught Place, New Delhi-110001 |



Annexure 1 to the Report of the Board of Directors

10.16 Address for correspondence:

Registrars & Share Transfer Agents including Depository Registrar

CB Management Services Private Limited,
P-22, Bondel Road,
Kolkata-700 019
Tel: (033) 40116700 / 40116711 / 40116718 / 40116720
Fax: (033) 2287-0263
E-Mail: rta@cbmsl.com

Compliance Officer

Mr. N. K. Khurana
Director (Finance) and Company Secretary,
FCS - 2173
Rossell India Limited,
Jindal Towers, Block 'B', 4th Floor,
21/1A/3, Darga Road,
Kolkata- 700 017
Tel: (033) 2287-4794/2290-3035
Fax: (033) 2287-5269
E-mail: nirmal.khurana@rossellindia.com/ nk.khurana@rosselltea.com

11. Other Disclosures:

11.1 Related party transactions:

Disclosures on materially significant related party transactions:

The Company has not entered into any transactions of material nature, with its Promoters, the Directors or their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company. The transactions undertaken during the year have been disclosed as Note 41 to the Financial Statements for the year ended 31st March, 2019.

11.2 Non Compliance/penalties :

No penalties / strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority for non-compliance of any laws on any matter related to capital markets, during the last three years.

11.3 Whistle Blower Policy - Vigil Mechanism:

Pursuant to Sec 177(9) read with (Meeting of Board and its Power) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, Company has duly established vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conducts or ethics policy. Audit Committee of the Board monitors and oversees such Vigil Mechanism of the Company. It is also confirmed that no personnel has been denied access to the Audit Committee during the year under review.

Further in terms of Regulation 46(2)(e) of the SEBI Listing Regulations, detailed policy related to the Whistle Blower - Vigil Mechanism is available in the Company's website at www.rossellindia.com.

11.4 Mandatory requirements

The Company has complied with all mandatory Corporate Governance requirements as stipulated in the SEBI Listing Regulations.

All other discretionary requirements as stipulated in Part-E, Schedule II of the SEBI Listing Regulations have been adopted to the extent applicable.

11.5 CEO/CFO Certification

In terms of Regulation 17 (8) read with Schedule-II, Part-B of the SEBI Listing Regulations, the Chief Executive Officer (Executive Chairman) and the Chief Financial Officer (Director (Finance)) of the Company have certified to the Board that the financial statements for the year ended 31st March, 2019 do not contain any false or misleading statement and



Annexure 1 to the Report of the Board of Directors

that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

11.6 Adoption of discretionary requirements:

The Company strives to comply with the non mandatory (discretionary) requirements as specified in Part E of Schedule II of SEBI Listing Regulations as far as possible.

Internal Auditors Report: The Internal Auditors of the Company directly submit their reports to the attention of the Chairman of the Audit Committee of the Board.

Auditors Report : There has been no qualification/ adverse remark by the Auditors in their Audit Report for the year.

11.7 Web-Link where Policy on determining 'material' subsidiaries

The Company does not have any Material Subsidiary.

11.8 Web Link for Policy on dealing with Related party Transactions

The Company's policy on Related Party Transaction (as revised by the Board on 24th May, 2019) is available on the Company's website at www.rossellindia.com

11.9 Compliance confirmation

The Company has complied with all corporate governance requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, 2015.

11.10 Commodity price risk or foreign exchange risk and hedging activities :

Black Tea, the main Product manufactured by the Company, is subject to price risk, as the price is determined by the prevailing market conditions and 'Cost plus pricing' model has no role in determining such prices. The Company is well conversant with this risk and always gear itself to align its product mix and other attributes of the product to meet the market demand.

The Company's Policy is to take appropriate steps to guard the risks arising out of major foreign currency exposure for its import payables and export receivables.

11.11 Fees paid/payable to the Statutory Auditors :

During the year, a sum of ₹ 5.83 lakhs have been paid/to be paid to the Statutory Auditors as Audit and other fees. Details of such fees are given in Note No. 34 of the Audited Financial Statement.

11.12 Credit Rating obtained during the year :

| Nature of Banking Facility | ₹ in Lakhs | Rating obtained |
|----------------------------|------------|--------------------|
| Long Term Fund Based | 19,357 | ICRA BBB+ (Stable) |
| Short Term Non-Fund Based | 250 | ICRA A2 |

For and on behalf of the Board

Place : Delhi
Date : 24th May, 2019

H. M. Gupta
Executive Chairman
(DIN - 00065973)



CORPORATE GOVERNANCE CERTIFICATE

To the Members of
Rossell India Limited

We have examined the compliance of conditions of Corporate Governance by Rossell India Limited ("the Company") in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") for the year ended 31.03.2019.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A. K. Labh & Co.**
Company Secretaries

CS A. K. Labh
Practicing Company Secretary
FCS – 4848 / CP No.-3238

Place : Kolkata
Dated : 24th May, 2019



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Rossell India Limited
Jindal Towers
Block – “B”, 4th Floor
21/1A/3, Darga Road
Kolkata – 700 017
West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Rossell India Limited having CIN : LO1132WB1994PLC063513 and having registered office at “Jindal Towers”, Block – “B”, 4th Floor, 21/1A/3, Darga Road, Kolkata – 700 017, West Bengal (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|------------------------------|----------|--------------------------------|
| 1. | Harsh Mohan Gupta | 00065973 | 10.06.1994 |
| 2. | Nirmal Kumar Khurana | 00123297 | 01.09.2017 |
| 3. | Nayantara Palchoudhuri | 00581440 | 06.08.2014 |
| 4. | Rishab Mohan Gupta | 05259454 | 09.02.2018 |
| 5. | Satguru Sharan Baijal | 00027961 | 14.07.1994 |
| 6. | Harischandra Parekh Maneklal | 00026530 | 19.10.2001 |
| 7. | Vijay Prakash Agarwal | 00083912 | 12.05.2009 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A. K. Labh & Co.**
Company Secretaries

CS A. K. Labh
Practicing Company Secretary
FCS – 4848 / CP No.-3238

Place : Kolkata
Dated : 24th May, 2019



Annexure 2 to the Report of the Board of Directors

REPORT ON CSR ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Act read with Companies (CSR Policy) Rules, 2014]]

| | | |
|----|---|---|
| 1. | A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is http://www.rossellindia.com/financial-result/CSR_Policy.pdf |
| 2 | The Composition of the CSR Committee. | As on the date of report i) Mr. K. Katyal - Chairman [Independent Director] ii) Ms. N. Palchoudhuri - Member [Independent Director] iii) Mr. N. K. Khurana – Member [Director (Finance) and Company Secretary] |
| 3 | Average net profit of the company for last three financial years. | ₹ 99.44 Lakhs |
| 4 | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) | ₹ 2.00 Lakhs |
| 5 | Details of CSR activities/projects undertaken during the year: | |
| | a) total amount to be spent for the financial year as approved by the CSR Committee | ₹ 21.87 Lakhs |
| | b) amount un-spent, if any | N.A. |
| | c) manner in which the amount spent during financial year, | The manner in which the amount is spent is detailed in the Annexure-A below. |

Annexure - A

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|---|---|---|---|--|---|---|
| Sr. No | CSR project/activity identified | Sector in which the Project is covered | Projects/ Programmes 1. Local area/ others- 2. specify the state /district (Name of the District/s, State/s where project/ programme was undertaken | Amount of outlay (budget) project/ programme wise ₹ In lakhs | Amount spent on the project/ programme ₹ In lakhs | Cumulative spend upto to the reporting period ₹ In lakhs | Amount spent: Direct/ through implementing agency |
| A. Direct Expenditure on Projects | | | | | | | |
| 1. | Running and Maintenance of Free Dispensary | Promoting Preventive Health Care | Delhi, NCR Area | 10.00 | 12.75 | 12.75 | Through BMG Foundation, Delhi |
| 2. | Community Based Crèches at Urban Slums (Existing Project of the FY 2016 - 2017 to continue) | Promoting Education among little Children | Delhi, NCR Area | 8.00 | 8.00 | 8.00 | Through Mobile Creches, Delhi |



Annexure 2 to the Report of the Board of Directors

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-----------|---|--|--|---|--|---|---|
| Sr. No | CSR project/activity identified | Sector in which the Project is covered | Projects/ Programmes 1. Local area/ others- 2.specify the state /district (Name of the District/s, State/s where project/ programme was undertaken | Amount of outlay (budget) project/ programme wise ₹ In lakhs | Amount spent on the project/ programme ₹ In lakhs | Cumulative spend upto to the reporting period ₹ In lakhs | Amount spent: Direct/ through implementing agency |
| 3. | Extending support towards education of differently abled children. | Promoting Education | The Society for Welfare of Differently Abled Persons (Physically Handicapped) Education and Research Centre at Pune area. | - | 0.60 | 0.60 | Direct Spending |
| 4. | Support to blind students by contributing towards food, education, boarding, lodging etc. | Promoting Education | Bharat Blind School Shahdara, 510-A, Circular Road, Shahdara – 110 032, Delhi | - | 0.52 | 0.52 | Direct Spending |
| B. | Overheads | | | - | - | - | |
| | Total | | | 18.00 | 21.87 | 21.87 | |

Responsibility Statement

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Place : Delhi
Date : 24th May, 2019

H. M. Gupta
Executive Chairman and CEO
(DIN - 00065973)

K. Katyal
Chairman of CSR Committee
(DIN - 00765487)



Annexure 3 to the Report of the Board of Directors

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| 1 | CIN | L01132WB1994PLC063513 |
| 2 | Registration Date | 10th June, 1994 |
| 3 | Name of the Company | ROSSELL INDIA LIMITED |
| 4 | Category/Sub-Category of the Company | Public Company limited by shares |
| 5 | Whether listed Company (Yes/No) | Yes |
| 6 | Address of the Registered Office and contact details | Jindal Towers, Block - "B", 4th Floor,, 21/1A/3, Darga Road, Kolkata – 700017, West Bengal |
| 7 | Name, Address and Contact details of Registrar and Transfer Agent, if any | C B Management Services Pvt. Ltd., P - 22, Bondel Road, Kolkata, West Bengal - 700019, Tel; 033-22806692/93/94, 40116700/6711/6718/6723 Email : rta@cbmsl.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products /services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|---|----------------------------------|------------------------------------|
| 1. | Tea & Tea Products | 99611272 | 49.86% |
| 2. | Aviation Products and Services | 98882 | 41.69% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - Not Applicable



Annexure 3 to the Report of the Board of Directors

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

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|-----------------|--------------------|-------------------|---|-----------------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual/HUF | 32,91,054 | - | 32,91,054 | 8.97 | 33,35,624 | - | 33,35,624 | 9.09 | 0.12 |
| (b) Central Govt | | | | | | | | | - |
| (c) State Govt (s) | | | | | | | | | |
| (d) Bodies Corp. | 2,41,34,609 | - | 2,41,34,609 | 65.77 | 2,41,34,609 | - | 2,41,34,609 | 65.77 | |
| (e) Banks / FI | | | | | | | | | - |
| (f) Any Other.... | | | | | | | | | |
| SUB TOTAL : (A)(1) | 2,74,25,663 | - | 2,74,25,663 | 74.74 | 2,74,70,233 | - | 2,74,70,233 | 74.86 | - |
| (2) Foreign | | | | | | | | | |
| (a) NRIs - Individuals | | | | | | | | | |
| (b) Other – Individuals | | | | | | | | | |
| (c) Bodies Corp. | | | | | | | | | |
| (d) Banks / FI | | | | | | | | | |
| (e) Any Other | | | | | | | | | |
| Sub-total(A)(2) | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 2,74,25,663 | - | 2,74,25,663 | 74.74 | 2,74,70,233 | - | 2,74,70,233 | 74.86 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 1,50,010 | - | 1,50,010 | 0.41 | 1,06,050 | - | 1,06,050 | 0.29 | 0.12 |
| b) Banks / FI | 28,804 | 90,300 | 1,19,104 | 0.32 | 50 | 90,300 | 90,350 | 0.25 | 0.07 |
| c) Central Govt. | - | 150 | 150 | 0.00 | - | 150 | 150 | 0.00 | - |
| d) State Govt.(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) Foreign Portfolio Investors | 28,13,417 | - | 28,13,417 | 7.67 | 28,13,417 | - | 28,13,417 | 7.67 | - |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| Sub-total (B)(1) | 29,92,231 | 90,450 | 30,82,681 | 8.40 | 29,19,517 | 90,450 | 30,09,967 | 8.21 | 0.19 |
| 2. Non-Institutions | | | | | | | | | |
| (a) Bodies Corp. | | | | | | | | | |
| (i) Indian | 16,07,080 | 3,300 | 16,10,380 | 4.39 | 14,95,847 | 3,150 | 14,98,997 | 4.08 | 0.31 |
| (ii) Overseas | | | | | | | | | |
| (b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto ₹ 2 lakh | 31,48,854 | 3,51,799 | 35,00,653 | 9.54 | 32,20,666 | 3,23,242 | 35,43,908 | 9.66 | 0.12 |
| (ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh | 6,84,158 | 1,68,250 | 8,52,408 | 2.33 | 6,83,431 | 1,58,250 | 8,41,681 | 2.29 | 0.04 |
| (c) Others (specify) | 33,525 | - | 33,525 | 0.09 | 1,20,029 | - | 1,20,029 | 0.32 | 0.23 |
| (d) Investor Education and Protection Fund Authority, Ministry of Corporate Affairs. | 1,91,165 | - | 1,91,165 | 0.51 | 2,11,660 | - | 2,11,660 | 0.58 | 0.07 |
| Sub-total (B)(2): | 56,64,782 | 5,23,349 | 61,88,131 | 16.86 | 57,31,633 | 4,84,642 | 62,16,275 | 16.93 | 0.08 |
| Total Public Shareholding (B)=(B)(1) + (B)(2) | 86,57,013 | 6,13,799 | 92,70,812 | 25.26 | 86,51,150 | 5,75,092 | 92,26,242 | 25.14 | - |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 3,60,82,676 | 6,13,799 | 3,66,96,475 | 100.00 | 3,61,21,383 | 5,75,092 | 3,66,96,475 | 100.00 | - |



Annexure 3 to the Report of the Board of Directors

(ii) Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change In share holding during the year |
|--------|-------------------------|---|----------------------------------|---|--------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | BMG ENTERPRISES LTD. | 2,31,13,795 | 62.99 | 0.00 | 2,31,13,795 | 62.99 | 0.00 | 0.00 |
| 2. | BMG INVESTMENTS PVT LTD | 5,49,769 | 1.50 | 0.00 | 5,49,769 | 1.50 | 0.00 | 0.00 |
| 3. | HARVIN ESTATE PVT.LTD. | 4,71,045 | 1.28 | 0.00 | 4,71,045 | 1.28 | 0.00 | 0.00 |
| 4. | HARSH MOHAN GUPTA | 18,53,785 | 5.05 | 0.00 | 18,72,751 | 5.10 | 0.00 | 0.05 |
| 5. | RISHAB MOHAN GUPTA | 7,43,599 | 2.03 | 0.00 | 7,69,203 | 2.10 | 0.00 | 0.07 |
| 6. | VINITA GUPTA | 6,93,670 | 1.89 | 0.00 | 6,93,670 | 1.89 | 0.00 | 0.00 |
| | TOTAL | 2,74,25,663 | 74.74 | 0.00 | 2,74,70,233 | 74.86 | 0.00 | 0.12 |

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

| | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|------------------------------|---|----------------------------------|---|----------------------------------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | 2,74,25,663 | 74.74 | 2,74,70,233 | 74.86 |
| At the end of the year | 2,74,70,233 | 74.86 | 2,74,70,233 | 74.86 |

(iv) Shareholding Pattern of top ten Shareholders

| SL | Folio No/DP | SOLE/FIRST NAME OF THE SHAREHOLDER | | DATE | NO. OF SHARE | %TO TOT | NO. OF SHARE | %TO TOT |
|----|------------------|---|------------------------------|------------------------|--------------|---------|--------------|-----------|
| 1 | IN30134820011233 | ELARA INDIA OPPORTUNITIES FUND LIMITED | At the beginning of the year | 01-04-2018 | 28,13,417 | 7.67 | 28,13,417 | 7.67 |
| | | | NO CHANGE DURING THE PERIOD | At the end of the year | 31-03-2019 | | | 28,13,417 |
| 2 | IN30115121312415 | ASWINI AGARWAL | At the beginning of the year | 01-04-2018 | 6,84,158 | 1.86 | 6,84,158 | 1.86 |
| | | | Sale | 18-05-2018 | 50,000 | 0.14 | 6,34,158 | 1.73 |
| | | | Sale | 08-06-2018 | 50,000 | 0.14 | 5,84,158 | 1.59 |
| | | | Sale | 22-06-2018 | 50,000 | 0.14 | 5,34,158 | 1.46 |
| | | | Sale | 13-07-2018 | 2,00,000 | 0.55 | 3,34,158 | 0.91 |
| | | | Sale | 20-07-2018 | 2,00,000 | 0.55 | 1,34,158 | 0.37 |
| | | | Sale | 26-10-2018 | 1,34,158 | 0.37 | - | - |
| 3 | IN30302865926109 | ASWINI AGARWAL | At the beginning of the year | 01-04-2018 | - | - | 10,000 | 0.03 |
| | | | Buy | 18-05-2018 | 50,000 | 0.14 | 60,000 | 0.16 |
| | | | Buy | 08-06-2018 | 50,000 | 0.14 | 1,10,000 | 0.30 |
| | | | Buy | 22-06-2018 | 50,000 | 0.14 | 1,60,000 | 0.44 |
| | | | Buy | 13-07-2018 | 2,00,000 | 0.54 | 3,60,000 | 0.98 |
| | | | Buy | 20-07-2018 | 2,00,000 | 0.54 | 5,60,000 | 1.52 |
| | | | Buy | 02-11-2018 | 1,34,158 | 0.37 | 6,94,158 | 1.89 |
| | | | Sale | 22-03-2019 | 10,727 | 0.03 | 6,83,431 | 1.86 |
| | | | At the end of the year | 31-03-2019 | - | - | 6,83,431 | 1.86 |
| 4 | IN30124110023723 | GURGAON INFOSPACE LIMITED | At the beginning of the year | 01-04-2018 | 2,98,150 | 0.81 | 2,98,150 | 1.86 |
| | | | NO CHANGE DURING THE PERIOD | At the end of the year | 31-03-2019 | | | 2,98,150 |
| 5 | IN30124110000029 | GLOBAL CREDIT CAPITAL LTD. | At the beginning of the year | 01-04-2018 | 2,27,100 | 0.62 | 2,27,100 | 0.62 |
| | | | NO CHANGE DURING THE PERIOD | At the end of the year | 31-03-2019 | | | 2,27,100 |
| 6 | IN30124110010156 | PNR CAPITAL SERVICES LIMITED | At the beginning of the year | 01-04-2018 | 1,68,300 | 0.46 | 1,68,300 | 0.46 |
| | | | NO CHANGE DURING THE PERIOD | At the end of the year | 31-03-2019 | | | 1,68,300 |
| 7 | A00355 | ASWINI KUMAR AGARWAL | At the beginning of the year | 01-04-2018 | 1,50,000 | 0.41 | 1,50,000 | 0.41 |
| | | | NO CHANGE DURING THE PERIOD | At the end of the year | 31-03-2019 | | | 1,50,000 |
| 8 | IN30081210489442 | ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA - ASSET RECONSTRUCTION FUND | At the beginning of the year | 01-04-2018 | 1,50,000 | 0.41 | 1,50,000 | 0.41 |



Annexure 3 to the Report of the Board of Directors

| SL | Folio No/DP | SOLE/FIRST NAME OF THE SHAREHOLDER | | DATE | NO. OF SHARE | %TO TOT | NO. OF SHARE | %TO TOT |
|----|------------------|------------------------------------|------------------------------|------------|--------------|---------|--------------|---------|
| | | | Sale | 01-02-2019 | 2,000 | 0.01 | 1,48,000 | 0.40 |
| | | | Sale | 08-02-2019 | 15,000 | 0.04 | 1,33,000 | 0.36 |
| | | | Sale | 15-02-2019 | 541 | - | 1,32,459 | 0.36 |
| | | | Sale | 22-02-2019 | 1,808 | - | 1,30,651 | 0.36 |
| | | | Sale | 01-03-2019 | 2,452 | 0.01 | 1,28,199 | 0.35 |
| | | | Sale | 15-03-2019 | 15,000 | 0.04 | 1,13,199 | 0.31 |
| | | | Sale | 22-03-2019 | 7,159 | 0.02 | 1,06,040 | 0.29 |
| | | | At the end of the year | 31-03-2019 | | | 1,06,040 | 0.29 |
| 9 | IN30124110022791 | ALKYONE REALTORS PRIVATE LIMITED | At the beginning of the year | 01-04-2018 | 1,11,600 | 0.30 | 1,11,600 | 0.30 |
| | IN30124110022791 | NO CHANGE DURING THE PERIOD | At the end of the year | 31-03-2019 | | | 1,11,600 | 0.30 |
| 10 | IN30124110022629 | AVG REALTORS PRIVATE LIMITED | At the beginning of the year | 01-04-2018 | 1,00,000 | 0.27 | 1,00,000 | 0.27 |
| | | NO CHANGE DURING THE PERIOD | At the end of the year | 31-03-2019 | | | 1,00,000 | 0.27 |
| 11 | AATPS5325H | MANINDER SINGH | At the beginning of the year | 01-04-2018 | 90,000 | 0.25 | 90,000 | 0.25 |
| | | NO CHANGE DURING THE PERIOD | At the end of the year | 31-03-2019 | | | 90,000 | 0.25 |
| 12 | 100006 | JAINAM SHARE CONSULTANTS PVT. LTD | At the beginning of the year | 01-04-2018 | 57,665 | 0.16 | 57,665 | 0.16 |
| | | | Buy | 06-04-2018 | 1,232 | - | 58,897 | 0.16 |
| | | | Sale | 13-04-2018 | 17 | - | 58,880 | 0.16 |
| | | | Buy | 20-04-2018 | 233 | - | 59,113 | 0.16 |
| | | | Sale | 27-04-2018 | 756 | - | 58,357 | 0.16 |
| | | | Buy | 04-05-2018 | 853 | - | 59,210 | 0.16 |
| | | | Buy | 11-05-2018 | 381 | - | 59,591 | 0.16 |
| | | | Sale | 18-05-2018 | 5,824 | 0.02 | 53,767 | 0.14 |
| | | | Sale | 25-05-2018 | 38,751 | 0.11 | 15,016 | 0.03 |
| | | | Buy | 01-06-2018 | 4,793 | 0.01 | 19,809 | 0.04 |
| | | | Buy | 08-06-2018 | 9,279 | 0.03 | 29,088 | 0.07 |
| | | | Buy | 15-06-2018 | 356 | - | 29,444 | 0.07 |
| | | | Buy | 22-06-2018 | 574 | - | 30,018 | 0.07 |
| | | | Buy | 29-06-2018 | 46,868 | 0.13 | 76,886 | 0.20 |
| | | | Buy | 06-07-2018 | 905 | - | 77,791 | 0.20 |
| | | | Buy | 20-07-2018 | 18,271 | 0.05 | 96,062 | 0.25 |
| | | | Buy | 27-07-2018 | 6,497 | 0.02 | 1,02,559 | 0.27 |
| | | | Buy | 01-08-2018 | 221 | - | 1,02,780 | 0.27 |
| | | | Sale | 03-08-2018 | 814 | - | 1,01,966 | 0.27 |
| | | | Sale | 10-08-2018 | 102 | - | 1,01,864 | 0.27 |
| | | | Buy | 24-08-2018 | 62 | - | 1,01,926 | 0.27 |
| | | | Sale | 31-08-2018 | 300 | - | 1,01,626 | 0.27 |
| | | | Sale | 07-09-2018 | 1,939 | 0.01 | 99,687 | 0.26 |
| | | | Sale | 14-09-2018 | 50 | - | 99,637 | 0.26 |
| | | | Buy | 21-09-2018 | 3,677 | 0.01 | 1,03,314 | 0.27 |
| | | | Buy | 28-09-2018 | 1,933 | 0.01 | 1,05,247 | 0.28 |
| | | | Sale | 05-10-2018 | 1,020 | - | 1,04,227 | 0.28 |
| | | | Buy | 12-10-2018 | 11,563 | 0.03 | 1,15,790 | 0.31 |
| | | | Buy | 19-10-2018 | 16,289 | 0.04 | 1,32,079 | 0.35 |
| | | | Buy | 26-10-2018 | 18,060 | 0.05 | 1,50,139 | 0.40 |
| | | | Buy | 02-11-2018 | 5,778 | 0.02 | 1,55,917 | 0.42 |
| | | | Sale | 09-11-2018 | 605 | - | 1,55,312 | 0.42 |
| | | | Sale | 16-11-2018 | 2,588 | 0.01 | 1,52,724 | 0.41 |
| | | | Sale | 23-11-2018 | 659 | - | 1,52,065 | 0.41 |
| | | | Sale | 30-11-2018 | 1,020 | - | 1,51,045 | 0.41 |
| | | | Buy | 07-12-2018 | 62 | - | 1,51,107 | 0.41 |
| | | | Sale | 14-12-2018 | 1,837 | 0.01 | 1,49,270 | 0.40 |
| | | | Sale | 21-12-2018 | 50 | - | 1,49,220 | 0.40 |
| | | | Buy | 25-01-2019 | 75 | - | 1,49,295 | 0.40 |
| | | | Sale | 01-02-2019 | 715 | - | 1,48,580 | 0.40 |
| | | | Sale | 08-02-2019 | 75 | - | 1,48,505 | 0.40 |
| | | | Buy | 15-03-2019 | 8,546 | 0.02 | 1,57,051 | 0.42 |
| | | | Buy | 22-03-2019 | 9,707 | 0.03 | 1,66,758 | 0.45 |
| | | | Buy | 29-03-2019 | 186 | - | 1,66,944 | 0.45 |
| | | | At the end of the year | 31-03-2019 | | | 1,66,944 | 0.45 |



Annexure 3 to the Report of the Board of Directors

(v) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | For Each of the Directors and KMP Name of the Director/KMP | Shareholding at the beginnings of the year | | Shareholding at the end of the year | |
|---------|---|--|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mr. H.M.Gupta | 18,53,785 | 5.05 | 18,72,751 | 5.10 |
| 2 | Mr. R. M. Gupta | 7,43,599 | 2.03 | 7,69,203 | 2.10 |
| 3 | Dr. S. S. Baijal | 7,500 | 0.02 | 7,500 | 0.02 |
| 4 | Mr. N.K.Khurana | 3,700 | 0.01 | 3,700 | 0.01 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in lakhs

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 7,997.01 | 1,960.00 | NIL | 9,957.01 |
| ii) Interest due but not paid | NIL | NIL | NIL | NIL |
| iii) Interest accrued but not due | 24.85 | 8.54 | NIL | 33.39 |
| Total (i+ii+iii) | 8,021.86 | 1,968.54 | NIL | 9,990.40 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 1,34,070.28 | 5,113.13 | NIL | 1,39,183.41 |
| • Reduction | 1,30,556.58 | 5,568.54 | NIL | 1,36,125.12 |
| Net Change | 3,513.70 | (455.41) | NIL | 3,058.29 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 11,511.78 | 1,511.00 | NIL | 13,022.78 |
| ii) Interest due but not paid | 13.79 | NIL | NIL | 13.79 |
| iii) Interest accrued but not due | 9.99 | 2.13 | NIL | 12.12 |
| Total (i+ii+iii) | 11,535.56 | 1,513.13 | NIL | 13,048.69 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

₹ in lakhs

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | Total Amount |
|---------|--|------------------------|-------------------|-----------------|---------------|
| | | Mr. H. M. Gupta | Mr. N. K. Khurana | Mr. R. M. Gupta | |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 96.00 | 50.81 | 81.60 | 228.41 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 15.09 | 3.90 | 1.23 | 20.22 |
| | (c) Profits in lieu of salary under | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | - others, specify... | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | Total (A) | 111.09 | 54.71 | 82.83 | 248.63 |
| | Ceiling as per the Act (@10% of the profits calculated under section 198 of the Companies Act, 2013) | | | | NIL |



Annexure 3 to the Report of the Board of Directors

B. Remuneration to other Directors :

₹ in lakhs

| Sl. N | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|-------|---|-------------------|-----------------|-------------------|---------------------|--------------|
| | | Dr. S.S. Bajjal | Mr. H.M. Parekh | Mr. V. P. Agarwal | Ms. N. Palchoudhuri | |
| 1. | Independent Directors | | | | | |
| | • Fee for attending board / committee meetings | 3.05 | 2.55 | 3.30 | 2.80 | 11.70 |
| | • Commission | – | – | – | – | – |
| | • Others, please specify | – | – | – | – | – |
| | Total (1) | 3.05 | 2.55 | 3.30 | 2,80 | 11.70 |
| 2. | Other Non-Executive Directors | | | | | |
| | • Fee for attending board / committee meetings | | | | | |
| | • Commission | | | | | |
| | • Others, please specify | | | | | |
| | Total (2) | | | | | |
| 3. | Total (1+2) | | | | | |
| | Total Managerial Remuneration (Excluding Fees) | | | | | NIL |
| | Overall Ceiling as per the Act (@1% of profits calculated Under Section 198 of the Companies Act, 2013) | | | | | NIL |

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

Mr. N. K. Khurana, Director (Finance) is also acting as the CFO and the Company Secretary, hence there is no other Key Managerial Person in terms of Sec 203 of the Companies Act, 2013, read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in the Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

No penalty/punishment levied and/or compounding of offences done during the financial year 2018-2019.



Annexure 4 to the Report of the Board of Directors

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

To
The Members,
Rossell India Limited
Jindal Towers, Block – “B”, 4th Floor,
21/1A/3, Darga Road,
Kolkata – 700 017
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rossell India Limited having its Registered Office at “Jindal Towers”, Block – “B”, 4th Floor, 21/1A/3, Darga Road, Kolkata – 700 017, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2019 according to the provisions of (as amended) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:



Annexure 4 to the Report of the Board of Directors

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. Food Safety and Standards Act, 2006
2. Tea Act, 1953
3. Tea Waste Control Order, 1959
4. Tea (Marketing) Control Order, 2003
5. Tea (Distribution & Export) Control Order, 2005
6. Plant Protection Code (Formulated by Tea Board of India)
7. Plantations Labour Act, 1951

to the extent of its applicability to the Company during the financial year ended 31.03.2019 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws.

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

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

We further report that :

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **A. K. Labh & Co.**
Company Secretaries

CS A. K. Labh
Practicing Company Secretary
FCS – 4848 / CP No.-3238

Place : Kolkata
Dated : 24th May, 2019



Annexure 5 to the Report of the Board of Directors

Form No. AOC-2

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

1) Details of contracts or arrangements or transactions not at arm's length basis :

| | | |
|-----|---|--|
| (a) | Name(s) of the related party and nature of relationship | The Company has not entered in to any contract or arrangement or transactions with its related parties which is not at arm's length during the financial year 2018-19. |
| (b) | Nature of contracts/arrangements/transactions | |
| (c) | Duration of the contracts / arrangements/transactions | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) | Justification for entering into such contracts or arrangements or transactions | |
| (f) | Date(s) of approval by the Board | |
| (g) | Amount paid as advances, if any | |
| (h) | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | |

2) Details of material contracts or arrangement or transactions at arm's length basis :

| | | |
|-----|--|--|
| (a) | Name(s) of the related party and nature of relationship | The Company has not entered in to any material contract or arrangement or transactions with its related parties during the financial year 2018-19. |
| (b) | Nature of contracts/arrangements/transactions | |
| (c) | Duration of the contracts / arrangements/transactions | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) | Date(s) of approval by the Board | |
| (f) | Amount paid as advances, if any | |

For and on behalf of the Board
Rossell India Limited

H. M. Gupta

Executive Chairman
(DIN - 00065973)

Place : Delhi
Date : 24th May, 2019



Annexure 6 to the Report of the Board of Directors

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (As amended)

| Requirement of Rule 5(1) | | Particulars |
|--------------------------|---|---|
| Clause(i) | The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year. | 1. Mr. H.M. Gupta, Executive Chairman – 178.54 : 1.00 2. Mr. N. K. Khurana, Director (Finance) and Company Secretary- 87.93 : 1.00 3. Mr. R. M. Gupta, Whole Time Director - 133.13 : 1.00 Sitting Fees/ Commission paid to Non-Executive Directors have not been considered to ascertain this ratio. |
| Clause (ii) | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year. | 1. Mr. H.M. Gupta, Executive Chairman & CEO – 0.30% 2. Mr. N.K. Khurana, Director (Finance), CFO and CS – 2.88% 3. Mr. R.M. Gupta, Whole Time Director – 7.16% |
| Clause(iii) | The percentage increase in the median remuneration of employees in the financial year. | During the financial year 2018-2019, the percentage increase in the median remuneration of employees as compared to previous year was approximately 18.74% |
| Clause(iv) | The number of permanent employees on the rolls of company. | There were 6,371 Employees as on 31st March, 2019. |
| Clause (viii) | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Average percentile increase in the salaries of employees, other than the Managerial Personnel, in the last Financial Year 2018-2019 was around 10%. The Executive Chairman of the Company was paid Minimum Remuneration in view of inadequate profit, within the limit permissible under the provisions of Section 197 read with Schedule V of the Companies Act, 2013. |
| Clause (xii) | Affirmation that the remuneration is as per the remuneration policy of the company. | The Company affirms that the remuneration of Directors, Senior Management and Employees is as per the Remuneration Policy of the Company. |



Annexure 7 to the Report of the Board of Directors

Statement of Particulars of employees pursuant to Section 134 (3)(q) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Sl. No. | Name | Designation/ Nature of Duties | No. of Shares held (Percentage) | Remuneration Received [₹ in lakhs p.a.] | Qualification | Experience in years | Age in years | Date of commencement of employment | Last employment held |
|---------|-----------------------------|--|---------------------------------------|---|---|------------------------|-----------------|--|--|
| 1. | H.M. Gupta | Executive Chairman | 18,72,751 Equity Shares (5.10) | 111.08 | B. A. (Hons.) | 44 | 64 | 1 st May, 1996 | BMG Enterprises Ltd. – Chairman and Managing Director (still continuing) |
| 2. | P.K. Bhagvandas | CEO – Rossell Techsys Division | NIL | 86.08 | B. Tech, M.B.A | 37 | 57 | 17 th January, 2011 | MD – Broadcom India Pvt. Ltd. |
| 3. | R.M Gupta | Whole Time Director | 7,69,203 Equity Shares (2.10) | 82.83 | Graduate from Suffolk University, Boston, USA. | 11 | 32 | 1 st January, 2008 | N.A. |
| 4. | N.K. Khurana | Director (Finance) and Company Secretary | 3,700 Equity Shares (0.01) | 54.70 | B.Com (Hons.), LL.B., FCA, FCS, FCMA. | 39 | 60 | 1 st August, 1994 | Assam Frontier Tea Ltd. - Head of Finance and Company Secretary |
| 5. | S.S. Sikand | CEO – Rossell Tea Division | NIL | 54.60 | BA (Hons. in Economics) | 38 | 60 | 1 st June, 2019 | Amalgamated Plantations Ltd. - COO |
| 6. | AVM (Retd.) Satish Sofat | VP- Aerotech Services | NIL | 53.19 | Graduate of Defense Services Staff College and Higher Air Command Course | 48 | 69 | 1 st February, 2008 | Air Vice Marshall, Indian Air Force |
| 7. | Subramanya B | Senior VP (Operation) – Rossell Techsys | NIL | 50.00 | BE, MBA | 33 | 57 | 1 st August, 2018 | Moog Inc., USA as Quality Director Asia Region |
| 8. | Digant Parikh | VP (Finance) | NIL | 45.67 | MBA(Finance), ICWA Inter | 27 | 47 | 1 st November, 2011 | MB Parikh Fin Stocks Ltd. Managing Director |
| 9. | Indrajit Roy | VP (Marketing)-Rossell Tea | NIL | 43.51 | B. Com, Diploma in Export Management | 37 | 57 | 1 st September, 2009 | Hindustan Unilever Ltd. – Operational Manager –Specialty Tea |
| 10. | Sudarshan R R J | VP- Rossell Techsys | NIL | 42.53 | BE- Electronics and Communications Engineering and a Master's Degree in Business Management from IIT Kharagpur. | 31 | 54 | 30 th September, 2011 | Formerly was a senior air-force officer |

Notes :

1. Remuneration as defined under Sec. 2(78) of the Companies Act, 2013 includes Salary, Allowances and Perquisites as defined under the Income Tax Act, 1961 and excludes contributions to Provident and other Funds.
2. The nature of employment is contractual and is subject to the rules and regulations of the Company in force from time to time.
3. None of the persons listed above, except Mr. H.M. Gupta, Mr. R.M. Gupta (related inter-se) are relative of any of the Directors/KMPs of the Company.



Annexure 8 to the Report of the Board of Directors

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. Industry Structure and Development

Russell Tea

The total world tea production in 2018-19 was around 5,900 million Kgs of which the main producers are China – 2,650 million Kgs and India – 1,350 million Kgs followed by Kenya, Sri Lanka and Turkey. The major increase in production in the decade has come from China, India and Kenya.

In India, the small tea growers segment has contributed significantly, who now produces 48.41% of the total crop. The North Indian crop was 1,124.03 million Kgs, against 1,091.40 million Kgs, whilst South India's contribution was 226.01 million Kgs as compared to 233.65 million Kgs. The total overall production is 1,350.04 million Kgs as against 1,325.05 million Kgs, an increase of 25 million Kgs (2%). The increase has all come from North India and that too from the small growers segment.

Exports have remained more or less stagnant at 255 million Kgs in this financial year as compared to 257 million Kgs in the previous year though, the value has increased from ₹ 5,065 crores to ₹ 5,507 crores.

The weather continues to play a vital role in tea production. Cropping in central and lower Assam region was good, which resulted in record production in our Kharikatia and Nagrijuli Tea estates. Growing conditions in the Upper Assam region however were, relatively poor with wet weather leading to increased pest and disease activity owing to heavy rains and overcast conditions.

The CTC market during the year was much improved for the medium and plainer teas but, marginally lower for the top quality. Orthodox was sluggish during the peak months but picked up from November onwards. Average for the year however, was lower than the previous year

Taking advantage of this and given the flexibility in our processing capabilities, we made a higher proportion of CTC teas moving from 2.60 million Kgs to 2.86 million Kgs. Our prices in both the categories was higher than the previous year and much higher than the Industry averages.

The Company continues to upgrade its assets, be it the fields by uprooting, rejuvenation and replanting and also the factories. All the Company's capital expenditure programs were completed on schedule and put to use. The workers are our greatest assets and we are continuously improving their living and working environment through better hygiene, sanitation, housing and water supply.

Aviation Products and Services

Aerotech Services Division has five contracts for providing post sales technical support for Original Equipment Manufacturers (OEMs) equipment fitted on various Indian platforms of the three services viz Indian Air Force, Indian Army and Indian Navy as well as Hindustan Aeronautics Ltd. The Field Service Engineers continue to perform the tasks to the satisfaction of the OEM.

Russell Techsys Division has grown by over 85% in the current financial year along with Silver rating from Boeing and Gold rating from Lockheed Martin. Keeping its aggressive steps towards its growth vision, the company is recommending inorganic growth, in existing as well as adjacent areas. The Division is looking out for such prospects opportunistically.

Russell Hospitality

While the medium to long-term prospects for the organized Food Service Industry is promising, during the year under review, the impact of Minimum wages across Delhi NCR was felt across its various segments in the later half of the current financial year. On a brighter side, there has been exponential growth in delivery business since the time online aggregators came into the market with aggressive offerings and cash backs for consumers. Favorable Demographics, Rising Income levels, Changing Consumer Lifestyle, Growing Awareness of Cuisine and Emergence of New Retailing Centers are increasing access to the food service industry.

b. Opportunities and threats

Russell Tea

(i) Production

The world crop for black tea during the season 2018 was higher by 71 million Kgs. with bulk of the excess coming from Kenya of 49 million Kgs. and India with 17 million Kgs. The major growth for black tea consumption is in China, India, Pakistan, CIS, and the Middle East.

World crop does to an extent affect the export of Teas and the price levels. However, it is the increase in the Indian crop which has a direct impact on the domestic sales and also on exports to some extent. The Indian crop has been increasing quite rapidly in the last 3 years in North India and that too mostly in the medium quality, which is an opportunity for your Company as the packeteers need top quality tea for their blends.



Annexure 8 to the Report of the Board of Directors

Once again both Sri Lanka and Kenya have started the season 2019 reasonably well. Some drop in crop has been reported from Kenya during the months of March and April, 2019. The Indian crop at the beginning of the season from January to March 2019 has been higher by 12.38% as compared to that during last year. Currently there is excess tea available in India resulting in the CTC market dropping levels every week and Orthodox sustaining owing to the pending orders from Iran. We expect that the prices of both CTC and Orthodox will firm up on arrival of the 2nd flush Teas from June, 2019.

With production increasing in India substantially from the Small Growers Segment which is predominantly the average to medium quality, it will have an impact on medium segment producers. As Rossell Tea is a top quality producer of CTC and Orthodox Teas, the over-production of average Teas will not impact its price realization as there is a huge demand for our Tea both in the domestic and global markets.

(ii) Climate Change

In the last decade this phenomena has become very important and has impacted the Agricultural outputs of various products including that of Tea.

Temperatures have generally been on the rise and distribution of rainfall has become erratic and unpredictable. There are prolonged dry spells coupled with long periods of excessive wet conditions leading to droughts and flooding in different areas.

Owing to deforestation and the climatic changes the pest activity has increased considerably and we are also seeing new pests and diseases that have not been encountered before.

In tea growing areas of Assam we are witnessing intense heat or continuous rainfall, both of which are creating impediments to anticipated production of quality and quantity. This is also intensifying the sudden pest attack. However, at Rossell Tea we practice sustainable agriculture practices for irrigation, drainage, shade planting etc., which somehow negates the impacts. We are also creating water bodies to mitigate against drought and rainwater harvesting during the rains.

(iii) Consumption

The overall consumption in the Indian subcontinent is more or less static with only approx. 3% growth coming primarily from the increase in population. The per capita consumption of 786 gms. continues to be rather low.

The younger generation is moving to more fashionable tea like green tea, besides being attracted to herbal/fruit infusions and other specialty teas which are being marketed under the banner "Tea", although it is not from the plant, 'Camellia Sinensis'. Tea Board along with Indian Tea Association have recently taken the initiative to popularize tea amongst the younger generation through digital marketing and other channels making this beverage appear trendy, fashionable and healthy to the younger population of India, which is almost 50% of the total population.

(iv) Quality

The Company's stated policy and practice is to produce the best possible quality of CTC and Orthodox Tea. With consistent delivery on this front, we have built brand equity for the Company and are today a benchmark for the industry in the international as well as domestic market for both Orthodox and CTC Teas.

However, other producers in the Industry are also giving impetus to improve their quality and the competition is becoming more intense. Rossell Tea, however through its strong team effort and strict adherence to policies for sustainability will continue to produce teas consistently above the competitors and will outperform in terms of acceptability over the others.

Fully compliant and safe teas with RA certification shall also give us an edge over the others. Earlier only one of our Estates was RA certified. However, from April, 2019 all our Estates are RA certified.

(v) Markets

The demand for better quality produce is currently concentrated around the Middle East countries and China, and in some parts of USA, who are well known to pay premiums for better quality produce from India. The traditional markets in UK, Germany and certain other parts of Europe and Japan appear to be somewhat saturated.

The biggest challenge in front of the Tea Industry this year is the trade arrangements with Iran which imports around 50% of the Orthodox production from Assam. This in turn reduces the availability of CTC in the domestic market and enables the maintenance of the price-points.

Rossell Tea is confident of maintaining its clientele in UK, Germany, USA and the Middle East countries. The Company continues to explore new markets and customers in China and USA. We are confident that our consistent efforts from last year, would yield some results during the current financial year. As of now, we are expecting to export around 8 lakh Kgs of our produce. We are hopeful that the trade arrangements with Iran that we have currently, would be allowed to continue and we would see substantial exports of our teas to Iran during the current financial year as well.



Annexure 8 to the Report of the Board of Directors

Aviation Products and Services

The Government's policy on defense related equipment is for OEMs to utilize Indian industry for manufacture of the equipment. In some cases transfer of technology has happened whereas in many cases it is pending. The delay is due to lack of capability of the Indian industry viz. manufacturing standards not meeting the international qualitative requirements.

Rossell Techsys Division continues to see opportunities in the US region. These opportunities have resulted in strategic teaming agreements where the US Company shall be the prime and the Division the sub-prime. The Division shall continue to persist with meetings, presentations, customer visits, Division visits, as has been done in the past. The Division also continues to look for more such prime partners to spread its wings.

The challenges come from other companies too making similar efforts and therefore, it all comes down to timing, cost, and quality performance. Given the Division's history, there is confidence to suggest that it shall be successful on all three fronts.

Rossell Hospitality

The market experiences various growth drivers and is therefore expected to rise in future as well. Increased urbanization and commercialization do not leave time with the working professionals and hence they rely on fast foods for their meals. India gaining attention of National and international players, improving retail infrastructure and domestic consumption potential are all contributing to the positive growth of QSR segment.

Any downturn in the economy hurting consumer's sentiments directly affects sales. With a base kitchen support, your Company is able to bring consistency across all food categories. Risks and rewards will continue to exist and will be an integral part of F&B Industry.

C. Segment-wise Business Performance

Rossell Tea

The Tea manufactured at our estates during the financial year 2018-2019 was 55.06 lakh Kgs as against 53.25 lakh Kgs in the previous financial year 2017-18, an increase of 3.40%.

Our crop production has been steadily increasing in the last 3 years due to the uprooting and replantation programme done in the past with the younger plants now yielding higher.

Exports during the year was 6.75 lakh Kgs as compared to the previous year's quantity of 9.42 lakh Kgs. Exports to Iran were impacted due to payment issues in view of the sanctions imposed by USA. To obviate the lower exports, we offloaded more Teas in the Auctions at higher price points and immediate payment terms.

Price realization for our Teas was higher by ₹ 6.23 per Kgs. at ₹ 223.01 over that of previous year when it was ₹ 216.78 per Kgs.

The enhanced crop not only helped in improving the productivity and efficiency parameters, but also in keeping our costs under check and the improved prices and better operational efficiency helped us in obviating cost increases and higher revenue.

The Revenue of the Division has increased from ₹ 11,717.08 lakhs in 2017-18 to ₹ 12,423.92 lakhs in 2018-19. This is the highest Revenue recorded by the Division in the last 5 years.

The Division has made an operating profit (before interest and other finance charges) ₹ 939.73 lakhs as against ₹ 1,235.98 lakhs in the previous year after absorbing the total impact of higher wage bill due to hike in daily wage rate by ₹ 30 per head.

Aviation Products and Services

The performance of Aerotech Division continues to be profitable.

The overall performance of the Rossell Techsys Division has been exceptional. The revenue for the financial year 2018-19 stands at ₹ 9,823.25 lakhs, an increase of ₹ 4,121.91 lakhs over the previous financial year from ₹ 5,701.34 lakhs FY 2017-18. This includes the domestic sales of ₹ 72.06 Lakhs in the financial year 2018-19. Although orders worth ₹ 45 Lakhs were obtained, domestic business continues to be slack.

At the end of FY 2018-2019, cumulative Net Foreign Exchange Earnings (NFE) stood at ₹ 8,845 lakhs or 44.95 % of export turnover. The Division is consistent with positive NFE, which is a key performance indicator for an EOU.

Rossell Hospitality

Rossell Hospitality ended the financial year 2018-19 with a total of 14 stores including three delivery point across Delhi NCR. The operational revenue increased marginally from ₹ 1,684.10 lakhs to ₹ 1,697.43 lakhs in the year under review.



Annexure 8 to the Report of the Board of Directors

d. Outlook

Rossell Tea

With the early rains in February and March 2019, we were able to harvest a higher crop during March, 2019, being 39% more than that of previous year. The production in April 2019 is similar to that in the previous year.

We have started the year on a positive note and are confident of a good year in terms of production.

The market for Orthodox tea has been quite firm but that of CTC tea was lower on the backdrop of oversupply. We have therefore maximized production of Orthodox during this period for better revenue. Your Company has the flexibility of switching between CTC and Orthodox manufacture depending on the market conditions.

The CTC market is expected to go up on arrival of the 2nd flush teas.

Our continued focus on quality and improvement in the grade-mix will help us with higher unit price realization.

The entire group is now certified with Rainforest Alliance accreditation which should help us in exporting Teas to new buyers and Geographies, earlier only one Estate viz. Romai Tea Estate was RA certified.

Aviation Products and Services

The Division continues to provide technical support services for the contracts we have with the OEMs. One of the contracts will end by September, 2019 as the OEM has transferred technology to public sector undertaking.

The overall outlook of Rossell Techsys Division looks positive and encouraging. The focus of the Division shall be more towards ensuring proper execution and hiring of high caliber staff members. As the Division rapidly scales in terms of number of people, it is mandatory that it retains its operating culture, best practices and ensure that none of its fundamentals gets diluted.

Rossell Hospitality

We expect the fundamentals in the Indian economy to remain strong and thus the Division expect to continue to grow in FY 2019-20. The Division continued to focus on enhancing operations, tightening efficiencies and on creating more synergies for cementing the path for sustainable growth. The Revenues increase in the Delivery business is through digital medium primarily from food Aggregators and the same have been consistently building month on month leading to decent increase in overall top lines. Rossell Hospitality's strategy is to consolidate the business parameters on existing outlets and work on each unit economics to carve the way ahead with significant reduction in losses. In continuation to the same, we had relocated our Connaught Place outlet to a 'Delivery Kitchen' format within the same trade zone in Q 4, 2018-19 resulting to substantial savings in our bottom line. The trends for the last two quarters have been very encouraging. Thus, on this basis the Division would be able to achieve break-even at store's level soon. Your Division had commenced operations of two "Delivery Outlet" in the 2nd and 3rd quarter of FY 2018-19. ("Delivery Outlet" is a term used for driving Delivery business in a zone with minimum offline visibility, however they have high visibility across all digital mediums and food aggregators from where a consumer can place order).

e. Risks and Concerns

Rossell Tea

Weather continues to play an important role in the success or failure of any agro-horticultural produce including Tea Plantations.

Tea is a perennial crop and hence with climate change and erratic weather conditions, the leaf growth and bushes are affected which in turn affect tea production.

Good agricultural practices and timely intervention can obviate and mitigate the loss to a great extent. Planting trees and augmenting irrigation to counter droughts and having adequate drainage for countering floods are some measures being adopted.

There are some external factors which are of concern and these are being addressed with the concerned authorities through the Industry associations and bodies:

- Minimum wages – Constant dialogue and representation is being made with the authorities to see that the wage increase is within limits.
- Exports to Iran on the backdrop of the US sanctions and withdrawal of the waiver porting Iranian oil may have payment-related problems. The Industry is working closely with the Government to circumvent this.
- High oil prices may lead to increase in the cost of inputs and we are monitoring this closely. All efforts are to improve



Annexure 8 to the Report of the Board of Directors

efficiency and productivity to mitigate the cost increase, if any.

There is need to produce Quality Tea to average higher and a concerted effort and focus is being given by the Company. The weak rupee should help in bolstering our export earnings.

Aviation Products and Services

Aerotech Services Division is subject to Penalty Clause for delay in providing services. Your Division since its inception has ensured that there is no delay in providing timely quality service. The only risk is in variation of foreign exchange as it can affect the overall earning.

The Division continues to be vulnerable to predatory pricing by companies desiring to compete intensely. Most of the contracts / strategic agreements are long term in nature. Hence these are susceptible to major variations in foreign exchange especially when the rupee gains. The Division has firm fixed price commitments pegged at a single forex rate during the term of contract. These contracts are usually between 5 and 7 years. Therefore, it is challenging to formulate an effective hedging strategy.

Rossell Hospitality

Digitalization of the industry, the risk of slowdown in Dine in business, unexpected regulatory changes in the food service industry, paucity of trained manpower and high attrition of entry level employees are some of the key risks for the industry.

f. Internal Control System and their Adequacy

There are adequate internal control system at all levels of Management of the Company. These are reviewed from time to time and improved upon, where required.

The Internal Audit is carried out by Firms of Chartered Accountants. The Audit Committee of the Board looks into Auditors' observations, which is deliberated upon and necessary instructions issued to the concerned person of the related Division to take corrective measures.

g. Financial and Operational Performance

Along with the continual emphasis on quality upgradation of products and services, prudent cost management has been the stated objective of all the Divisions of the Company.

The operating profit before depreciation (EBITDA) in respect of Rossell Tea Division for the year was ₹ 1,429.09 lakhs, as against ₹ 1,752.09 lakhs in the previous year.

The Aviation Products and Services business segment of the Company made a profit (EBITDA) of ₹ 1,609.09 lakhs before depreciation against ₹ 693.84 lakhs in the previous year.

Rossell Hospitality Division posted a loss before depreciation of ₹ 643.20 lakhs as against ₹ 961.80 lakhs in the previous years.

With unallocated expenses (net of unallocated income) at Corporate level, the overall profit before depreciation of the Company is ₹ 2,100.22 Lakhs as against ₹ 1,524.24 lakhs in the previous year. The financial base of your Company remains strong and we expect further strengthening thereof with better financial and operational performance.

h. Human Resources Development

Human resources are most valuable assets for the Company – at corporate level as well as at Divisions/ Units level. Thus, adequate attention is given by the Company for their development and well-being.

Training and Development is one of the integral part of Human Resources function. Emphasis is given by the Management on talent acquisition, correct recruitment practices and retention planning with effective organizational development. The Human Resource Policy of the Company is to ensure that the best talent is retained and developed so that each of the Divisions of the Company maintains its competitive position with respect to execution.

Industrial relations at all the Divisions of the Company remains excellent. Your Company employs 6,371 personnel across all its Divisions and at corporate level.



Annexure 8 to the Report of the Board of Directors

i. Significant Changes in the Financial Ratios

| Key Financial Ratios | FY 2018- 2019 (₹ in Lakhs) | FY 2017- 2018 (₹ in Lakhs) | % of Change | Reason for Change if the change is more than 25% |
|--------------------------|-------------------------------|-------------------------------|-------------|---|
| Debtors Turnover Ratio | 13.51 | 13.14 | +2.82 | - |
| Inventory Turnover Ratio | 2.92 | 3.77 | -22.55 | - |
| Interest Coverage Ratio | 1.04 | 0.78 | +33.33 | EBIT for the FY 2018-2019 has gone up to ₹ 1,023.58 lakhs from ₹ 570.38 lakhs for the FY 2017-2018 resulting in better Interest Coverage ratio in spite of higher Interest Outgo. |
| Current Ratio | 0.74 | 0.67 | +10.45 | - |
| Debt Equity Ratio | 0.77 | 0.59 | +30.51 | The level of Bank Borrowings as on 31.03.2019 has gone up to ₹ 13,022.78 lakhs against ₹ 9,957.01 lakhs as on 31.03.2018 due to higher working capital requirement for all the business segments, that is an increase by ₹ 3,065.77 lakhs, while Other Equity has gone up by ₹ 51.32 lakhs only, resulting in higher debt Equity Ratio. |
| Operating Profit % | 9.81 | 7.61 | +28.91 | Operating Profit for the FY 2018-2019 was ₹ 2,394.98 lakhs as against ₹ 1,484.12 lakhs for the FY 2017-2018 resulting in higher percentage of such profit to Turnover, |
| Net Profit Margin % | 0.23 | 0.12 | +91.67 | Net Profit (PBT) was higher for the FY 2018-2019 at ₹ 56.92 lakhs as against ₹ 24.22 lakhs for the FY 2017-2018 resulting in higher percentage of such profit to Turnover. |
| Return on Net Worth | 0.0034 | 0.0014 | +142.86 | This increase is attributable to higher Operating Profit Margin and higher Net Profit Margin as above with insignificant increase of only ₹ 51.32 lakhs in Net Worth. |



Compliance Certificate

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Schedule II Part B of the said Regulations]

The Board of Directors
Rossell India Limited
Jindal Towers
Block 'B', 4th Floor
21/1A/3, Darga Road
Kolkata - 700 017

Dear Sirs,

We hereby certify to the Board that:

- a) We have reviewed Financial Statements and Cash Flow Statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee :
 - (i) Significant changes in internal control, if any, during the year.
 - (ii) Significant changes in accounting policies, if any, during the year, subject to disclosure of the same in the notes to the financial statements
 - (iii) Instances of significant fraud of which we become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours faithfully

Place : Delhi
Date : 24th May, 2019

H. M. GUPTA
Chief Executive Officer
(DIN - 00065973)

N. K. KHURANA
Chief Financial Officer
(DIN - 00123297)

Declaration

In terms of Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, it is hereby declared that the Company has obtained affirmation from all members of the Board and Senior Management Personnel that they have complied with the Code of Conduct for Directors and Senior Management of the Company for Financial Year 2018-2019 and shall comply with such Code during the Financial Year 2019-2020.

Place : Delhi
Date : 24th May, 2019

H. M. GUPTA
Chief Executive Officer
(DIN - 00065973)



Financial Statements



Independent Auditors' Report

TO THE MEMBERS OF
ROSSELL INDIA LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Rosell India Limited ("the Company"), which comprise of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Factors

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sl. No. | Key Audit Factor | Principle Audit Procedure to address the Key Audit Factor |
|---------|---|--|
| 1. | In accordance with North East Industrial and Investment Promotion Policy, 2007 (NEIIPB 2007) communicated by Office Memorandum dated 1.4.2007 and the Central Interest Subsidy Scheme, 2007 (Subsidy Scheme) issued vide Notification dated 27.7.2007, the Company (Tea Estates) resorted to substantial expansion and became entitled to Interest Subsidy of 3% on the total interest paid / payable by the Company on working capital loan taken from scheduled Banks. The Interest Subsidy claim so made in the earlier years was received by the Company. The Company has made claim for subsidy for the financial year 2010-11 to 2012-13 aggregating to ₹ 85.59 lakhs with the Govt. and remains unpaid as on 31st March, 2019 due to subsequent modification in the Scheme. In view of this, realization of the said amount appears to be uncertain. | <p>We have assessed and checked the balance with reference to the procedure followed by the Company and the Policy / Scheme stated in North East Industrial and Investment Promotion Policy, 2007 (NEIIPB 2007). We have also verified the conditions to be complied for availing the benefit of the Scheme.</p> <p>In view of subsequent modification by a Circular, Interest Subsidy as was sought to be conferred by the Original Policy / Scheme had been curtailed. Against this modification, a Writ Petition was filed with the High Courts at Delhi and Guwahati. In the judgement, Hon'ble Court expressed that "the policy with the approval of the Cabinet cannot be whittled down or abrogated or modified in any manner by the Department of the Govt." and Govt. was directed to pay the interest subsidy as per the original Scheme.</p> <p>We have discussed the said issue in the meeting of the partners (other than partner associated with audit) and Senior Chartered Accountants. On the basis of the above discussion and having regard to the Hon'ble High Court Judgement, we have considered the management perception for considering the balance as effective. Hence, the said amount has been considered good as on 31st March, 2019.</p> |



Independent Auditors' Report

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company had adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Auditors Report

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



Independent Auditors Report

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i) In respect of pending litigations as represented by the Management, said disputes do not have material impact on its financial position in its financial statements.
 - ii) The Company has made provisions as at March 31, 2019, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **KHANDELWAL RAY & CO.,**
Chartered Accountants
(Registration No.302035E)

Pinaki Sarkar
Partner

Membership No. 051449

Place : Kolkata
Date : 24th May, 2019



Annexure A to the Independent Auditors Report

As referred to in paragraph I of our Report on "Other Legal and Regulatory Requirements", we state that:

- i. (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
(b) These fixed assets have been physically verified by the management at a reasonable interval. No material discrepancies were noticed on such verification as compared to book records.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties are in the name of the Company, except one Tea Estate, which is in the name of the previous owner and as represented by the Management, the execution of Deed of Conveyance in respect thereof is pending sale permission from the concerned authorities of the Government of Assam. The immovable properties comprising six Tea Estates (having registered Deed of Conveyance) are mortgaged with the Banks in connection with loan taken for the purpose of business of the Company, as confirmed by them.
- ii. (a) The inventory, excluding those lying with third parties, have been physically verified by the management during the year, at reasonable intervals.
(b) In our opinion, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
(c) The discrepancies noticed on such verification of stocks as compared to book records were not material and these have been properly dealt with in the books of account.
- iii. The Company has not granted any loan, secured or unsecured to Companies, Firms, Limited Liability Partnership, other parties or Subsidiaries covered in the Register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of Companies Act with respect to loans and investments made.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted Deposits within the meaning of Section 73 to Section 76 of the Act and the Rules framed thereunder.
- vi. The Central Government has specified for the maintenance of cost records under sub-sec. (1) of Sec.148 of the Act. We have broadly reviewed the records and Accounts maintained by the Company. We are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of such records to determine whether records are accurate and complete.
- vii. (a) According to the information and explanation given to us and on the basis of records of the Company examined by us, we are of the opinion that the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and services tax, duty of custom and cess and other material statutory dues applicable to it.

There is no arrears outstanding statutory dues as at the last day of the financial year for a period of more than 6 months from the date they became payable.

(b) According to the information and explanation given and records examined by us, there are no statutory dues, which have not been deposited on account of any dispute.
- viii. According to the information and explanations given and on the basis of records examined by us, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company has not taken loan from any financial institution or raised any money through issue of Debentures.
- ix. According to information and explanations given to us, in our opinion the term loans taken have been applied for the purpose for which they were obtained. During the year Company has not raised money by way of initial Public Offer or further Public Offer.
- x. During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in the accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.



Annexure A to the Independent Auditors Report

- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For **KHANDELWAL RAY & CO.,**
Chartered Accountants
(Registration No.302035E)

Pinaki Sarkar
Partner

Membership No. 051449

Place : Kolkata
Date : 24th May, 2019



Annexure B to the Independent Auditors Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Rosell India Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.



Annexure B to the Independent Auditors Report

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KHANDELWAL RAY & CO.**,
Chartered Accountants
(Registration No.302035E)

Pinaki Sarkar
Partner

Membership No. 051449

Place : Kolkata
Date : 24th May, 2019

**Balance Sheet** as at 31st March, 2019

₹ in lakhs

| Particulars | Note No. | 31st March, 2019 | 31st March, 2018 |
|--|----------|------------------|------------------|
| I. ASSETS | | | |
| (1) Non-current Assets | | | |
| (a) Property, Plant and Equipment | 4 | 17,100.63 | 17,464.43 |
| (b) Capital work-in-progress | | 1,511.24 | 753.35 |
| (c) Other Intangible Assets | 4 | 110.99 | 150.45 |
| (d) Investment in Subsidiary and Associate | 5 | – | 1,767.95 |
| (e) Financial Assets | | | |
| (i) Non-Current Investments | 6 | 1,897.58 | 52.59 |
| (ii) Loans | 7 | 2.97 | 4.40 |
| (iii) Other Financial Assets | 8 | 480.74 | 501.87 |
| (f) Other Non-current Assets | 9 | 145.97 | 145.60 |
| (g) Deferred Tax Assets (Net) | 10 | 990.87 | 905.87 |
| Total Non-Current Assets | | 22,240.99 | 21,746.51 |
| (2) Current Assets | | | |
| (a) Inventories | 11 | 8,372.65 | 5,169.42 |
| (b) Biological Assets other than Bearer Plants | 12 | 80.44 | 81.17 |
| (c) Financial Assets | | | |
| (i) Trade Receivables | 13 | 1,807.94 | 1,483.77 |
| (ii) Cash and Cash Equivalents | 14 | 302.77 | 166.69 |
| (iii) Loans | 15 | 5.23 | 4.69 |
| (iv) Other Financial Assets | 16 | 2.71 | 9.00 |
| (d) Current Tax Assets (Net) | 17 | 22.85 | 50.55 |
| (e) Other Current Assets | 18 | 970.85 | 1,040.26 |
| Total Current Assets | | 11,565.44 | 8,005.55 |
| TOTAL ASSETS | | 33,806.43 | 29,752.06 |
| II. EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share Capital | 19 | 733.93 | 733.93 |
| (b) Other Equity | | 16,187.51 | 16,136.19 |
| Total Equity | | 16,921.44 | 16,870.12 |
| (2) Liabilities | | | |
| (a) Non-Current Liabilities | | | |
| (i) Financial Liabilities | | | |
| Borrowings | 20 | 1,064.28 | 857.14 |
| (ii) Deferred Tax Liabilities (Net) | 10 | – | – |
| (iii) Other Non-Current Liabilities | 21 | 189.55 | 163.71 |
| Total Non-Current Liabilities | | 1,253.83 | 1,020.85 |
| (b) Current Liabilities | | | |
| (i) Financial Liabilities | | | |
| Borrowings | 22 | 11615.64 | 8,464.51 |
| Trade Payables | 23 | 1,514.51 | 1,024.06 |
| Other Financial Liabilities | 24 | 504.20 | 873.84 |
| (ii) Other Current Liabilities | 25 | 1,978.52 | 1,498.68 |
| (iii) Current Tax Liabilities (Net) | 26 | 18.29 | – |
| Total Current Liabilities | | 15,631.16 | 11,861.09 |
| Total Liabilities | | 16,884.99 | 12,881.94 |
| TOTAL EQUITY AND LIABILITIES | | 33,806.43 | 29,752.06 |

In terms of our Report of even date

For **KHANDELWAL RAY & CO.**
Chartered Accountants
Registration No. 302035E

H. M. Gupta
Executive Chairman
DIN: 00065973

N. Palchoudhuri
Director
DIN: 00581440

Pinaki Sarkar
Partner
Membership No.051449

N. K. Khurana
Director (Finance) and
Company Secretary
M. No.: FCS 2173

Place: Kolkata
Date: 24th May, 2019

Place: Delhi
Date: 24th May, 2019



Profit and Loss Statement for the year ended 31st March, 2019

₹ in lakhs

| Particulars | Note No. | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|--|----------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue from operations | 27 | 24,868.13 | 19,852.39 |
| Other Income | 28 | 29.80 | 201.47 |
| Total Income | | 24,897.93 | 20,053.86 |
| EXPENSES | | | |
| Cost of materials consumed | 29 | 6,396.65 | 3,593.56 |
| Purchase of Stock-in-Trade | | 0.92 | – |
| Changes in Inventories of Finished Goods, Work-in-Progress | 30 | (455.23) | (207.82) |
| Central Excise Duty | | – | 14.24 |
| Employee benefit expense | 31 | 10,904.23 | 9,399.55 |
| Finance cost | 32 | 1,054.60 | 718.40 |
| Depreciation and amortization expense | 33 | 995.84 | 967.08 |
| Corporate Social Responsibility (CSR) activities | 38 | 21.87 | 16.69 |
| Other expenses | 34 | 5,929.27 | 5,713.40 |
| Total Expenses | | 24,848.15 | 20,215.10 |
| Profit (Loss) before exceptional items and tax | | 49.78 | (161.24) |
| Exceptional Items | | | |
| Investment in Subsidiary Company Written Off | | 11.00 | – |
| Profit (Loss) before tax | | 38.78 | (161.24) |
| Income Tax Expense | | | |
| (i) Current Tax | | | – |
| Agricultural Income Tax | 35 | 23.00 | 35.00 |
| (ii) Deferred Tax - Charge / (Credit) | 35 | (41.14) | (220.46) |
| Total Tax Expense | | (18.14) | (185.46) |
| Profit (Loss) for the Year | | 56.92 | 24.22 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurements of post-employment defined benefit obligations | | (135.48) | (31.34) |
| (ii) Income Tax relating to these items | | 42.97 | 9.78 |
| Items that will be reclassified to profit or loss | | | |
| (i) Net Gain on Hedge Transactions | | – | 2.68 |
| (ii) Impairment recognised by revaluation of Investment in shares | | 86.02 | (9.18) |
| (iii) Income Tax relating to these items | | – | (0.89) |
| Other Comprehensive Income for the year, net of tax | | (6.49) | (28.95) |
| Total Comprehensive Income for the year | | 50.43 | (4.73) |
| Earning per Equity Share [Nominal Value per share : ₹ 2] (Previous Year : ₹ 2)] | | | |
| (1) Basic | 36 | 0.16 | 0.07 |
| (2) Diluted | | 0.16 | 0.07 |

In terms of our Report of even date

For **KHANDELWAL RAY & CO.**
Chartered Accountants
Registration No. 302035E

H. M. Gupta
Executive Chairman
DIN: 00065973

N. Palchoudhuri
Director
DIN: 00581440

Pinaki Sarkar
Partner
Membership No.051449

N. K. Khurana
Director (Finance) and
Company Secretary
M. No.: FCS 2173

Place: Kolkata
Date: 24th May, 2019

Place: Delhi
Date: 24th May, 2019



Cash Flow Statement for the year ended 31st March, 2019

₹ in lakhs

| | 2018-2019 | | 2017-2018 | |
|--|------------|-------------------|------------|-----------------|
| A. Cash Flow from Operating Activities | | | | |
| Profit before Tax | | 38.78 | | (161.24) |
| - Adjustment for : | | | | |
| Depreciation and Amortization expense | 995.84 | | 967.08 | |
| Finance Cost | 1,118.75 | | 880.95 | |
| Loss (Gain) on Exchange on restatement of SWAP Transactions | - | | 13.54 | |
| Provision for Forex Loss on Swap Transactions written back | (64.15) | | (176.09) | |
| Profit/(Loss) on Disposal of Property, Plant and Equipment (Net) | (8.87) | | 19.14 | |
| Liabilities no more required written back (net) | (8.28) | | (26.97) | |
| Changes in Fair Value of Financial Instruments (Equity) | (2.02) | | (3.00) | |
| Investment in Subsidiary Company Written Off | 11.00 | | - | |
| Net Gain on sale of Investments | - | | (32.05) | |
| | | 2,042.27 | | 1,642.60 |
| | | 2,081.05 | | 1,481.36 |
| Items Considered in Investing Activity : | | | | |
| Interest on Deposits etc. | (4.68) | | (22.87) | |
| Dividend Income from Equity Investments designated at FVTPL | (0.30) | | (0.38) | |
| | | (4.98) | | (23.25) |
| | | 2,076.07 | | 1,458.11 |
| Operating Profit before Working Capital Changes | | | | |
| - Adjustment for : | | | | |
| Trade Receivables, Loans, Advances and Other Assets | (225.72) | | (230.69) | |
| Inventories | (3,203.23) | | (1,929.42) | |
| Trade Payable, Other Liabilities and Provisions | 830.04 | | 405.79 | |
| | | (2,598.91) | | (1,754.32) |
| Cash Generated from Operations | | (522.84) | | (296.21) |
| Direct Taxes (Net of refund) | 22.99 | | (24.32) | |
| | | 22.99 | | (24.32) |
| Cash Flow before Extraordinary Items | | (499.85) | | (320.53) |
| Extraordinary Items | | - | | - |
| Net Cash Flow from Operating Activities | | (499.85) | | (320.53) |
| B. Cash Flow from Investing Activities : | | | | |
| Purchase of Property, Plant and Equipment, Other Intangible Assets including Advances for Capital Assets | | (1,329.06) | | (1,226.12) |
| Sale of Property, Plant and Equipment | | 32.00 | | 37.14 |
| Purchase of Investments | | - | | - |
| Sale/ Redemption of Investments | | - | | 332.05 |
| Interest Received | | 4.68 | | 22.87 |
| Dividend Received | | 0.30 | | 0.38 |
| Net Cash Flow from Investing Activities | | (1,292.08) | | (833.68) |



Cash Flow Statement for the year ended 31st March, 2019

₹ in lakhs

| | 2018–2019 | 2017–2018 |
|---|-----------------|-----------------|
| C. Cash Flow from Financing Activities | | |
| Intercompany Deposits Received/ Refunded (Net) | 401.00 | 310.00 |
| Proceeds of Working Capital Loan from Bank (Net) | 2,750.13 | 2,448.93 |
| Proceeds of Term Loan from Banks | 550.00 | – |
| Repayment of Term Loan From Banks | (635.36) | (915.00) |
| Interest Paid | (1,004.08) | (711.54) |
| Gain/ (Loss) on Foreign Currency Translations | (64.19) | 1.52 |
| Forex Loss on Swap Transactions (Net) | (69.49) | (150.85) |
| Dividend Paid and Tax thereon | – | (88.33) |
| Net Cash Flow from Financing Activities | 1,928.01 | 894.73 |
| Net Increase in Cash and Cash Equivalents (A+B+C) | 136.08 | (259.48) |
| Cash and Cash Equivalents at the beginning of the Financial Year (Refer Note 14) | 166.69 | 426.17 |
| Cash and Cash Equivalents at the end of the Financial Year (Refer Note 14) | 302.77 | 166.69 |

Notes:

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 - "Statement of Cash Flow".

In terms of our Report of even date

For **KHANDELWAL RAY & CO.**

Chartered Accountants

Registration No. 302035E

Pinaki Sarkar

Partner

Membership No.051449

Place: Kolkata

Date: 24th May, 2019

H. M. Gupta

Executive Chairman

DIN: 00065973

N. K. Khurana

Director (Finance) and

Company Secretary

M. No.: FCS 2173

Place: Delhi

Date: 24th May, 2019

N. Palchoudhuri

Director

DIN: 00581440

**Statement of changes in Equity for the year ended 31st March, 2019**

₹ in lakhs

A. Equity Share Capital

| | |
|---|---------------|
| Balance at the beginning on 1st April, 2018 | 733.93 |
| Changes during the year 2018–2019 | – |
| Balance at the end on 31st March, 2019 | 733.93 |

B. Changes in Equity

| | Securities Premium Reserve | General Reserve | Retained Earnings | | Capital Reserve | Total |
|---|----------------------------|------------------|-------------------|----------------------------|-----------------|------------------|
| | | | Surplus (Deficit) | Other Comprehensive Income | | |
| As at 31st March, 2017 | 2,609.55 | 13,139.11 | 569.53 | (336.95) | 248.01 | 16,229.25 |
| Profit for the year | – | – | 24.22 | – | – | 24.22 |
| Dividend Paid | – | (73.39) | – | – | – | (73.39) |
| Tax on Dividend | – | – | (14.94) | – | – | (14.94) |
| Items of Other Comprehensive Income recognised directly in Retained Earnings (Net of Tax) | – | – | – | – | – | – |
| a. Remeasurements of post-employment defined benefit obligations | – | – | – | (21.56) | – | (21.56) |
| b. Impairment recognised by revaluation of Investment in Associate by Equity Method | – | – | – | (9.18) | – | (9.18) |
| c. Gain on Hedge Transactions | – | – | – | 1.79 | – | 1.79 |
| As at 31st March, 2018 | 2,609.55 | 13,065.72 | 578.81 | (365.90) | 248.01 | 16,136.19 |
| Profit for the year | – | – | 56.92 | – | – | 56.92 |
| Dividend Paid | – | – | – | – | – | – |
| Tax on Dividend | – | – | – | – | – | – |
| Items of Other Comprehensive Income | – | – | – | – | – | – |
| Reclassified from Other Comprehensive Income to Profit & Loss Account | – | – | – | – | – | – |
| a. Gain on Cash Flow Hedging of Rosell Techsys - EOU Div. Items of Other Comprehensive Income recognised directly in Retained Earnings (Net of Tax) | – | – | 2.68 | (1.79) | – | 0.89 |
| a. Remeasurements of post-employment defined benefit obligations | – | – | – | (92.51) | – | (92.51) |
| b. Impairment recognised by revaluation of Investment | – | – | – | 86.02 | – | 86.02 |
| c. Gain on Hedge Transactions | – | – | – | – | – | – |
| As at 31st March, 2019 | 2,609.55 | 13,065.72 | 638.41 | (374.18) | 248.01 | 16,187.51 |

Nature and purpose of each Reserve**a) Capital Reserve**

This represents the amounts received as compensation for Land acquired by Oil India Ltd. from the Tea Estates of the Company as well as certain adjustments relating to various Schemes of Arrangements the Company had entered in to in the earlier years.

b) Securities Premium Reserve

Securities Premium Reserve was created as per the Scheme of Arrangement with the value of net assets taken over by the Company and again used to credit the premium on issue of Equity Shares by the Company from time to time. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

c) General Reserve

General Reserve is created for ploughing back the profits earned by the Company and retained before payment of dividend. This is free reserve and available for utilisation in accordance with the provisions of the Companies Act, 2013.

d) Retained Earnings

Retained earnings represent accumulated profits earned by the Company and remaining undistributed as on date.

In terms of our Report of even date

For **KHANDELWAL RAY & CO.**

Chartered Accountants

Registration No. 302035E

H. M. Gupta

Executive Chairman

DIN: 00065973

N. Palchoudhuri

Director

DIN: 00581440

Pinaki Sarkar

Partner

Membership No.051449

N. K. Khurana

Director (Finance) and

Company Secretary

M. No.: FCS 2173

Place: Kolkata

Date: 24th May, 2019

Place: Delhi

Date: 24th May, 2019



Notes to the Financial Statements for the year ended 31st March, 2019

Significant Accounting Policies and Other Notes to the Financial Statement for the Year ended 31st March, 2019

1. Company Overview

Rossell India Limited (the Company) is a Public Limited Company incorporated and domiciled in India. The Company was incorporated on 10th June, 1994 under the Companies Act, 1956 with its registered office at Kolkata, West Bengal. The Equity Shares of the Company are listed on National, Bombay and Calcutta Stock Exchanges. The Company is engaged in the following business activities:

- a. Cultivation, Manufacture and Sale of Bulk Tea- the Company owns seven Tea Estates all located in Assam,
- b. Engineering and Manufacturing in Aerospace and defense and Aviation related Services
- c. Operation of Quick Service Restaurants under the Brand name "Kebab Xpress"

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 (the Act) and the other relevant provisions of the Act and Rules made thereunder. The financial statements for the year ended 31st March, 2018 (previous year) were the First Financial Statements of the Company under Ind AS.

2.2 Basis of Measurement

The financial statement has been prepared on a historical cost basis except the following items

- a) Certain financial assets and liabilities (including derivative instruments) which are measured at fair value.
- b) Biological Assets other than Bearer Plants, which are measured at fair value less cost to sell.
- c) Defined benefit plans – plan assets measured at fair value

2.3 Use of estimates and judgements

The preparation of financial statements in accordance with Ind AS requires management to use of certain critical accounting estimates and assumptions. It also requires management to exercise judgment in the process of applying accounting policies. Actual results could differ from those estimates. These estimates, judgements, assumptions affect application of the accounting policies and the reported amounts of assets, liabilities, revenue, expenditure, contingent liabilities etc.

The estimates and underlying assumptions are reviewed on an ongoing basis and changes are made as management becomes aware of changes in the circumstances surrounding the estimates. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the financial statements in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.4 Classification of current and non-current

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Ind AS 1 – Presentation of financial statements and Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

3 Significant Accounting Policies

3.1 Property, Plant and Equipment

3.1.1 Tangible Assets (Other than Bearer Plants)

Property, Plant and Equipment are measured at cost / deemed cost, less accumulated depreciation and impairment losses, if any. Cost of Property, Plant and Equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located. Deemed Cost is the carrying value of all of its Property, Plant and Equipment (other than Bearer Plants) as of 1st April, 2016 measured as per the previous GAAP as the Company elected to continue with the same carrying value as on the aforesaid transition date for Ind AS.



Notes to the Financial Statements for the year ended 31st March, 2019

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Items of Property, Plant and Equipment are depreciated in a manner that amortizes the cost of the assets less its residual value, over their useful lives on a straight line basis. Estimated useful lives of the assets are as specified in Schedule II of the Companies Act, 2013.

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

3.1.2 Bearer Plants

Bearer Plants comprising of mature tea bushes as well as matured black pepper vines and shade trees are stated at cost / deemed cost less accumulated depreciation and impairment losses, if any.

The cost of uprooting of old tea bushes, rehabilitation of land, replanting and young tea upkeep and maintenance up to the year 3 from the year of planting are capitalized as mature plants, capital work-in-progress. From year 4 onwards capital work-in-progress is treated as Bearer Plants and depreciated using Straight Line Method over the expected useful life of 70 years, when the Bearer Plants (mature tea bushes) reaches maturity stage with residual value as 'Nil'.

Depreciation on Bearer Plants is recognized so as to write off its cost over useful lives, using the Straight Line Method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

3.1.3 Intangible Assets

Intangible Assets of the Company comprise acquired Computer Software having a finite life. Cost of software is capitalized when it is expected to provide future enduring economic benefits. The capitalization cost includes license fee, cost of implementation and system integration services. The costs are capitalized in the year in which the relevant Software is implemented for use and is amortized across a period not exceeding 10 years.

3.2 Foreign Currency Translation

Foreign currency transactions are translated into Indian Rupee (INR) which is the functional currency (i.e. the currency of the primary economic environment in which the entity operates) using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

3.3 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of insurance claim for damage / shortage of finished goods and are net of sales return, GST and trade allowances.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer or services are rendered as per terms of the relevant contract.

3.4 Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition



Notes to the Financial Statements for the year ended 31st March, 2019

of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date i.e. the date when the Company commits to purchase or sell the asset.

3.4.1 Financial Assets

Recognition and Classification

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

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

Subsequent Measurement

- Financial assets measured at amortized cost – Financial assets which are held within the business model of collection of contractual cash flows and where those cash flows represent payments solely towards principal and interest on the principal amount outstanding are measured at amortized cost. A gain or loss on a financial asset that is measured at amortized cost and is not a part of hedging relationship is recognized in profit or loss when the asset is derecognized or impaired.
- Financial assets measured at fair value through other comprehensive income – Financial assets that are held within a business model of collection of contractual cash flows and for selling and where the assets' cash flow represents solely payment of principal and interest on the principal amount outstanding are measured at fair value through OCI. Movements in carrying amount are taken through OCI, except for recognition of impairment gains or losses. When a financial asset, other than investment in equity instrument, is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss.

Classification of equity instruments, not being investments in subsidiaries, associates and joint arrangements, depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI. When investment in such equity instrument is derecognized, the cumulative gains or losses recognized in OCI is transferred within equity on such derecognition.

- Financial assets measured at fair value through profit or loss – Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. Movements in fair value of these instruments are taken in profit or loss.

Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Impairment losses are recognized in the profit or loss (other than impairment losses on investment in Subsidiary, Joint Venture and Associate) where there is an objective evidence of impairment based on reasonable and supportable information that is available without undue cost or effort. For all financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company recognizes loss allowances on trade receivables when there is an objective evidence that the Company will not be able to collect all the due amount depending on product categories and the payment mechanism prevailing in the industry.

Income recognition on financial assets

Interest income from financial assets is recognized in profit or loss using effective interest rate method, where applicable.

Dividend income is recognized in profit or loss only when the Company's right to receive payments is established and the amount of dividend can be measured reliably.

3.4.2 Financial Liabilities

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



Notes to the Financial Statements for the year ended 31st March, 2019

value through profit or loss are carried at fair value with changes in fair value recognized in the finance income or finance cost in the statement of profit or loss. .

3.4.3 Derecognition of financial assets and financial liabilities

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

3.4.4 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

3.5 Derivatives and hedging activities

The Company do have derivative financial instruments such as forward contracts, currency and interest rate swap to mitigate risk of changes in exchange and interest rates. The counterparty for these contracts is generally banks.

3.5.1 Derivatives

Derivatives are measured at fair value. All fair value gains and losses are recognized in profit and loss except where the derivatives qualify as hedging instruments in cash flow hedges or net investment hedges.

3.5.2 Cash flow hedges that qualify for hedge accounting:

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions.

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the Other Comprehensive Income.

3.6 Investment in Subsidiaries, Joint Ventures and Associates

Investments in Subsidiaries, Joint Ventures and Associates are initially recognized at cost as per Ind AS 27 – Separate Financial Statements. The carrying amount of investment in Joint Ventures and Associates is revised as per equity method prescribed in Ind AS 28 – Investment in Associates and Joint Ventures. The Company's share of those changes is recognized in the Other Comprehensive Income.

3.7 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of Property, Plant and Equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss on a Straight Line basis over the useful life of the related assets and presented within other income.

3.8 Income Tax

The Income Tax expense or credit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Current tax comprises of expected tax payable or receivable on taxable income / loss for the year or any adjustment or receivable in respect of previous year.

Notes to the Financial Statements for the year ended 31st March, 2019

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

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

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

3.9 Inventories

Stock of finished goods and stock-in-trade are valued at lower of cost and net realizable value. Finished goods, produced from agricultural produce viz. Black Tea, is valued at lower of cost arrived at by adding the cost of conversion to the fair value of agricultural produce viz. Green Leaves and the net realizable value. Agricultural produces, viz. Green Leaves harvested from the Company's own Tea Estates, are valued at fair value less cost to sale at the point of harvest. Black Pepper, being an Agricultural Produce is also valued at the net realizable value.

Raw Materials purchased (including Bought Green Leaves) and Stores and Spare Parts are valued at or under cost. Work-in-progress is valued at works cost based on technical evaluation of the stage of completion.

Provision is made for obsolete, slow moving and defective inventories, wherever necessary and reviewed from time to time.

Costs are ascertained to the individual item of inventory by adopting weighted average method. Net realizable value is the estimated selling price for inventories less all selling costs.

3.10 Biological Assets

Biological Assets of the Company comprises of unharvested Green Tea Leaves. These are recognized as such when and only when, (a) the Company controls the assets as a result of past events, (b) it is probable that future economic benefits associated with such assets will flow to the Company and (c) the fair value or cost of assets can be measured reliably. These assets are measured at its fair value less cost to sell. The gain or loss arising from change in such value is included in Statement of Profit and Loss.

3.11 Agricultural Produce

Agricultural Produce of the Company comprises of harvested Green Tea Leaves as well as Black Pepper, from its own Tea Estates. These are valued at fair value less cost to sell on the reporting date. The gain or loss arising from change in such value is included in the Statement of Profit and Loss under the head Consumption of Raw Materials (Green leaves) or Change in inventories of Finished Goods, as applicable.

3.12 Employee Benefits

3.12.1 These are recognized at the undiscounted amount as expense for the year in which the related service is rendered.

3.12.2 The Company is contributing regularly to the Provident Funds, administered by the Governments and independent of Company's finances, in respect of all its eligible employees. The Company also operates Defined Contribution Scheme for payment of Pension to certain classes of employees. Monthly contribution at 15% of the eligible employees' current salary is made to recognized Superannuation Fund, which is fully funded. This Fund is administered by Trustees and is independent of Company's finance. Contributions are recognized in Profit and Loss Statement on an accrual basis.

3.12.3 Defined Benefit Gratuity Plan is also maintained by the Company. The Company contributes to the recognized Gratuity Fund, which is administered by the Trustees and is independent of Company's finance. The Annual Contribution is determined by the actuary at the end of the year. Actuarial gains and losses are recognized in the Profit and Loss Statement. The Company also recognizes in the Profit and Loss Statement gains or losses on curtailment or settlement of the defined benefit plan as and when the curtailment or settlement occurs.



Notes to the Financial Statements for the year ended 31st March, 2019

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized, in the year in which they occur, directly in Other Comprehensive Income and eventually included in retained earnings in the Statement of changes in Other Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost.

3.12.4 Leave encashment liability for eligible employees is provided for at the end of the year, as actually ascertained and paid/ provided for and the charge is recognized in the Profit and Loss Statement.

3.13 Leases

Leases are recognized as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a Straight Line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.14 Borrowing costs

Borrowing costs consist of interest and transactions costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets or for self-created assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

3.15 Provisions and Contingent Liabilities

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

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

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

3.16 Operating Segments

In terms of Ind AS 108, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) viz. the Chief Executive officer (Executive Chairman) of the Company. The Chief Operating Decision Maker is responsible for allocating resources and assessing performance of the operating segments, which are engaged in separate business activities from which it earns revenue and incur expenses. For each of the segments discreet Financial Results are available.



Notes to the Financial Statements

₹ in lakhs

4. Property, Plant and Equipment

| Particulars | GROSS CARRYING AMOUNT | | | | ACCUMULATED DEPRECIATION | | | | NET CARRYING AMOUNT | |
|------------------------------------|-----------------------------------|---------------------------|--------------------------|------------------------|--------------------------|---------------------------|--------------------------|------------------------|------------------------|------------------------|
| | Deemed Cost as at 1st April, 2018 | Additions during the Year | Disposal during the Year | As at 31st March, 2019 | As at 1st April, 2018 | Depreciation for the year | Disposal during the Year | As at 31st March, 2019 | As at 31st March, 2019 | As at 31st March, 2018 |
| Land - Tea Estates | 7,117.32 | 1.31 | - | 7,118.63 | - | - | - | - | 7,118.63 | 7,117.32 |
| Land - Leasehold | 1,158.89 | 6.66 | - | 1,165.55 | 22.35 | 11.77 | - | 34.12 | 1,131.43 | 1,136.54 |
| Bearer Plants - Tea Bushes | 1,508.00 | 106.87 | 0.15 | 1,614.72 | 69.70 | 38.55 | - | 108.25 | 1,506.47 | 1,438.30 |
| Bearer Plants - Black Pepper Vines | - | 14.12 | - | 14.12 | - | 1.41 | - | 1.41 | 12.71 | - |
| Buildings | 3,547.12 | 103.55 | - | 3,650.67 | 909.26 | 106.37 | - | 1,015.63 | 2,635.04 | 2,637.86 |
| Leasehold Improvements | 739.62 | 26.74 | 40.51 | 725.85 | 235.65 | 105.46 | 27.05 | 314.06 | 411.79 | 503.97 |
| Plant and Equipment | 5,784.43 | 217.29 | 20.85 | 5,980.87 | 2,444.33 | 364.02 | 18.62 | 2,789.73 | 3,191.14 | 3,340.10 |
| Furniture and Fixtures | 1,030.03 | 53.58 | - | 1,083.61 | 484.27 | 94.67 | - | 578.94 | 504.67 | 545.76 |
| Vehicles | 1,132.36 | 11.20 | 106.86 | 1,036.69 | 704.24 | 99.08 | 99.94 | 703.38 | 333.31 | 428.12 |
| Office Equipment | 382.16 | 17.77 | - | 399.93 | 243.42 | 40.77 | - | 284.19 | 115.74 | 138.74 |
| Computers | 525.23 | 44.56 | 7.30 | 562.49 | 347.51 | 82.21 | 6.93 | 422.79 | 139.70 | 177.72 |
| 31st March, 2019 | 22,925.16 | 603.65 | 175.67 | 23,353.13 | 5,460.73 | 944.31 | 152.54 | 6,252.50 | 17,100.63 | 17,464.43 |
| 31st March, 2018 | 21,865.94 | 1,168.89 | 109.67 | 22,925.16 | 4,592.04 | 922.08 | 53.39 | 5,460.73 | | |

| Particulars | GROSS CARRYING AMOUNT | | | | ACCUMULATED DEPRECIATION | | | | NET CARRYING AMOUNT | |
|-------------------------|-----------------------------------|---|--------------------------|------------------------|--------------------------|---------------------------|--------------------------|------------------------|------------------------|------------------------|
| | Deemed Cost as at 1st April, 2018 | Additions during the Year (Acquired Separately) | Disposal during the Year | As at 31st March, 2019 | As at 1st April, 2018 | Amortisation for the year | Disposal during the Year | As at 31st March, 2019 | As at 31st March, 2019 | As at 31st March, 2018 |
| Computer Software | 418.15 | 12.07 | - | 430.22 | 267.70 | 51.53 | - | 319.23 | 110.99 | 150.45 |
| 31st March, 2019 | 418.15 | 12.07 | - | 430.22 | 267.70 | 51.53 | - | 319.23 | 110.99 | 150.45 |
| 31st March, 2018 | 322.23 | 95.92 | - | 418.15 | 222.70 | 45.00 | - | 267.70 | | |



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| 5. INVESTMENT IN SUBSIDIARY AND ASSOCIATE | | |
| Investment in Equity Instrument - Subsidiary | | |
| Unquoted | | |
| CAE Rossell India Limited - Nil (31.03.2018- 1,10,000) Shares of ₹ 10 each (Extent of holding - Nil - 31.03.2018 - 100.00%) | — | 11.00 |
| Investment in Equity Instrument - Associate | | |
| Unquoted-Net of Impairment as per Equity Method | | |
| R V Enterprizes Pte. Ltd. - NIL (31.03.2018- 3,61,000) Shares of Singapore \$ 1 each (Extent of holding - Nil) (2018- 26%) | — | — |
| Investment in Preference Instruments - Associate | | |
| Unquoted-Net of Impairment as per Equity Method | | |
| R V Enterprizes Pte. Ltd. - Nil (31.03.2018-34,45,725) Shares of US\$ 1 each (Extent of holding - Nil) (2018- 23.93%) | — | 1,756.95 |
| | — | 1,767.95 |
| A. Aggregate amount of Quoted Investments | — | - |
| B. Aggregate amount of Unquoted Investments | — | 1,767.95 |
| C. Aggregate amount of Impairment in Value of Investments | — | 254.54 |
| 6. NON-CURRENT INVESTMENTS | | |
| Unquoted | | |
| In Equity Instruments - Others | | |
| Assam Hospitals Limited - 50,000 Shares of ₹ 10 each measured at FVTPL | 54.61 | 52.59 |
| R V Enterprizes Pte. Ltd. - No Par Value Shares denominated in USD 2,49,924.40 (Extent of holding - 13%) (31.03.2018 - Nil) at FVTOCI | — | — |
| In Preference Instruments - Others | | |
| R V Enterprizes Pte. Ltd. - 34,45,725 (31.03.2018-34,45,725) Shares of US\$ 1 each measured at FVTOCI | 1,842.97 | — |
| | 1,897.58 | 52.59 |
| A. Aggregate amount of Quoted Investments | — | — |
| B. Aggregate amount of Unquoted Investments | 1,897.58 | 52.59 |
| C. Aggregate amount of Impairment in Value of Investments (Considered in OCI) | 168.52 | — |
| 7. LOANS | | |
| Unsecured Considered Good | | |
| Loan to Employees | 2.97 | 4.40 |
| | 2.97 | 4.40 |
| 8. OTHER FINANCIAL ASSETS | | |
| Security Deposits | 300.29 | 298.01 |
| Other Deposits | 177.19 | 200.60 |
| Deposit with Assam Financial Corporation | 0.01 | 0.01 |
| Deposit with Bank under Lien with State's VAT authorities as Security Deposit | 3.25 | 3.25 |
| | 480.74 | 501.87 |
| 9. OTHER NON-CURRENT ASSETS | | |
| Capital Advances | 60.38 | 60.01 |
| Subsidies receivable from Government | 85.59 | 85.59 |
| | 145.97 | 145.60 |



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| 10. DEFERRED TAX ASSETS (NET) | | |
| Deferred Tax Liabilities | | |
| The balance comprises temporary differences attributable to: | | |
| i) Property, Plant and Equipment and Other Intangible Assets | 340.22 | 357.42 |
| ii) Deferred tax related to OCI items | – | – |
| iii) Financial Assets at Fair Value through Profit or Loss | 16.56 | 10.47 |
| iv) Other Items | – | 6.12 |
| Deferred Tax Liabilities (A) | 356.78 | 374.01 |
| Deferred Tax Assets | | |
| The balance comprises temporary differences attributable to: | | |
| i) Losses under applicable Tax Laws | 747.82 | 716.80 |
| ii) Deferred tax related to OCI items | 95.23 | 51.37 |
| iii) Fair value of Inventory | 4.24 | 11.35 |
| iv) Minimum Alternate Tax Credit Entitlement | 497.07 | 497.07 |
| v) On Biological Asset at Fair Value | 0.23 | – |
| vi) Other Items | 3.06 | 3.29 |
| Deferred Tax Assets (B) | 1,347.65 | 1,279.88 |
| Net Deferred Tax Liabilities (B-A) | 990.87 | 905.87 |
| 11. INVENTORIES | | |
| Raw Materials (Green Leaf - Agricultural Produce)- At fair value | 3.48 | 14.62 |
| Raw Materials (Others)- At cost | 6,602.75 | 3,858.78 |
| Finished Goods (Black Pepper - Agricultural Produce) - At fair Value less cost to sell | 16.94 | 15.79 |
| Stock-in Trade - At Lower of Cost and net realisable value | – | 0.13 |
| Finished Goods - At lower of Cost and net realisable value [including in transit ₹ 160.36 Lakhs (31.03.2018 - ₹ 64.34 Lakhs)] | 814.11 | 471.01 |
| Stores and Spares- At or under cost | 396.23 | 385.32 |
| Work-in-Progress - At works cost | 539.14 | 423.77 |
| | 8,372.65 | 5,169.42 |
| 12. BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS | | |
| Fair Value of Biological Assets Other than Bearer Plants (Unharvested Green Tea Leaves) | 80.44 | 81.17 |
| | 80.44 | 81.17 |
| 13. TRADE RECEIVABLES | | |
| Trade Receivables Considered Good-Unsecured | 1,802.45 | 1,483.77 |
| Trade Receivables which have significant increase in credit risk | 5.49 | – |
| | 1,807.94 | 1,483.77 |
| 14. CASH AND CASH EQUIVALENTS | | |
| Balance with Banks - Current Accounts | 267.27 | 120.95 |
| Cash on hand | 21.69 | 22.48 |
| Bank Deposits with less than 12 months maturity | | |
| - under lien with Central Excise Authority for Clean Energy Cess on Coal Purchase | – | 9.74 |
| Remittance in Transit | 2.81 | 0.29 |
| Dividend Accounts * | 11.00 | 13.23 |
| Total | 302.77 | 166.69 |
| * Earmarked for payment of unclaimed dividend | | |



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| 15. LOANS | | |
| Unsecured Considered Good | | |
| Loan to Employees | 5.23 | 4.69 |
| | 5.23 | 4.69 |
| 16. OTHER FINANCIAL ASSETS | | |
| Interest accrued on Deposits | | |
| Subsidiary Company | – | – |
| Others | 2.71 | 5.50 |
| Derivatives not designated as Hedges - Forward Contracts | – | 0.82 |
| Derivatives designated as Hedges -Forecasted Cash Flow Hedge | – | 2.68 |
| | 2.71 | 9.00 |
| 17. CURRENT TAX ASSETS (NET) | | |
| Agricultural Income Tax | 22.85 | 35.00 |
| Income Tax | – | 15.55 |
| | 22.85 | 50.55 |
| 18. OTHER CURRENT ASSETS | | |
| Advances to Suppliers, Service Providers etc. | 247.05 | 137.98 |
| Advances Recoverable | 40.25 | 58.73 |
| Prepaid Expenses | 57.82 | 59.88 |
| Other Receivables | 72.77 | 18.79 |
| Input Tax Credit/ Refund (GST) Receivable | 402.04 | 577.62 |
| Subsidies receivable from Government | 135.15 | 112.32 |
| Export Incentives Receivables | 15.77 | 74.94 |
| | 970.85 | 1,040.26 |
| 19. EQUITY SHARE CAPITAL | | |
| Authorized | | |
| 4,50,00,000 Equity Shares of ₹ 2 each | 900.00 | 900.00 |
| Issued, Subscribed and Paid Up | | |
| 3,66,96,475 Equity Shares of ₹ 2 each fully paid up | 733.93 | 733.93 |
| A. Rights, Preferences and Restrictions attached to the Ordinary Share | | |
| The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share and is entitled to participate in Dividend, which may be proposed by the Board of Directors. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | | |
| B. Equity Shares held by Holding Company | | |
| BMG Enterprises Ltd. | 2,31,13,795 | 2,31,13,795 |



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|--|--|---------------------------------------|
| EQUITY SHARE CAPITAL (Contd.) | | |
| C. Shareholders holding more than 5% of the aggregate Equity Share capital in the Company | | |
| Name of the Shareholder | No. of Equity Shares and % of Holding | No. of Equity Shares and % of Holding |
| BMG Enterprises Ltd., Holding Company | 2,31,13,795 | 2,31,13,795 |
| | 62.99 | 62.99 |
| Elara India Opportunities Fund Ltd. | 28,13,417 | 28,13,417 |
| | 7.67 | 7.67 |
| Harsh Mohan Gupta, Executive Chariman | 18,72,751 | 18,53,785 |
| | 5.10 | 5.05 |
| D. Reconciliation of Number of Shares | | |
| Equity Shares outstanding at the beginning of the year | 3,66,96,475 | 3,66,96,475 |
| Add: Equity Shares issued during the year | - | - |
| Equity Shares outstanding at the end of the year | 3,66,96,475 | 3,66,96,475 |

| | | |
|--|---------------|----------|
| 20. NON CURRENT BORROWINGS | | |
| SECURED | | |
| Term Loans from Banks | | |
| HDFC Bank Limited | - | 112.50 |
| Less: Current maturities of long term debts | - | 112.50 |
| | - | - |
| a) Nature of Security | | |
| Equitable Mortgage of Namsang T.E. of the Company | | |
| b) Rate of Interest - 9.45% p.a. | | |
| c) Terms of Repayment | | |
| Repayment in 20 Equal Quarterly Instalments commencing from December, 2012 | | |
| HDFC Bank Limited | 857.14 | 1,200.00 |
| Less: Current maturities of long term debts | 342.86 | 342.86 |
| | 514.28 | 857.14 |
| a) Nature of Security | | |
| Equitable Mortgage of Namsang T.E. of the Company | | |
| b) Rate of Interest - 9.15% p.a. (2018 - 8.75% p.a.) | | |
| c) Terms of Repayment | | |
| Repayment in 20 Equal Quarterly Instalments commencing from May, 2018 | | |
| The Federal Bank Limited | - | 180.00 |
| Less: Current maturities of long term debts | - | 180.00 |
| | - | - |
| a) Nature of Security | | |
| Equitable Mortgage of Kharikatia T.E. of the Company | | |
| b) Rate of Interest - 9.68% p.a. | | |
| c) Terms of Repayment | | |
| Repayment in 20 Equal Quarterly Instalments commencing from March, 2014 | | |
| Yes Bank Limited | 550.00 | - |
| Less: Current maturities of long term debts | - | - |
| | 550.00 | - |



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| NON CURRENT BORROWINGS (Contd.) | | |
| a) Nature of Security Equitable Mortgage of Leasehold Land of Rossell Techsys Division and Building to be constructed thereon and Equitable Mortgage of Nagrijuli T. E. of the Company. Also seured by Unconditional and Irrevocable Corporate Guarantee provided by the Holding Company, BMG Enterprises Ltd. | | |
| b) Rate of Interest - 10.75% p.a. | | |
| c) Terms of Repayment - Repayment in 20 Equal Quarterly Instalments commencing from September, 2020 | | |
| | 1,064.28 | 857.14 |
| 21. OTHER NON - CURRENT LIABILITIES | | |
| Statutory Dues | 17.82 | 41.59 |
| Employees' Benefits Payable | 10.36 | 7.27 |
| Government Grants | | |
| Opening Balance | 114.85 | 63.22 |
| Received during the year | 49.28 | 54.10 |
| Less : Deferred Income to be appropriated within one year | 2.76 | 2.47 |
| Closing Balance | 161.37 | 114.85 |
| | 189.55 | 163.71 |
| 22. CURRENT BORROWINGS | | |
| Secured Loans repayble on demand from Banks Cash Credit, Packing Credit and Demand Loans | 10,104.64 | 6,504.51 |
| Nature of Security Secured by first pari passu charge by way of mortgage of immovable properties and hypothecation of movable properties of certain Tea Estates , both present and future. | | |
| Unsecured | | |
| Short-term Loan from Banks | 800.00 | 1,650.00 |
| Intercompany Deposits (Related Party) | 711.00 | 310.00 |
| | 11,615.64 | 8,464.51 |
| 23. TRADE PAYABLES | | |
| Trade Payables | | |
| a) Total outstanding dues of micro enterprises and small enterprises (Note below) | 8.92 | 22.63 |
| b) Total outstanding dues other than micro enterprises and small enterprises | 1,505.59 | 1,001.43 |
| | 1,514.51 | 1,024.06 |
| Note: To the extent the Company has received information from the Suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006, the details are provided under Sec. 22 of that Act: | | |
| 1. Principal amount remaining unpaid at the end of the year | 8.92 | 22.63 |
| 2. Interest accrued and paid thereon in terms of Sec. 16 | - | - |
| 3. Interest remaining accrued and unpaid at the end of the year | - | - |



Notes to the Financial Statements

₹ in lakhs

| | | |
|---|-----------------|----------|
| 24. OTHER FINANCIAL LIABILITIES | | |
| Current maturities of long-term debts | 342.86 | 635.36 |
| Interest accrued and due on borrowings | 13.79 | - |
| Interest accrued but not due on borrowings | 12.12 | 33.39 |
| Unpaid Dividends (Note below) | 11.00 | 13.23 |
| Capital Liabilities | 124.43 | 127.71 |
| Derivatives not designated as Hedges- Currency and Interest Rate Swap (Net of Principle receivable and payable - ₹ Nil (2018 - ₹ 292.50 lakhs) | - | 64.15 |
| | 504.20 | 873.84 |
| Note: | | |
| Amount due for transfer to Investor Education and Protection Fund within 1 year - ₹ 1.90 lakhs | | |
| 25. OTHER CURRENT LIABILITIES | | |
| Advances from Customers | 0.21 | 143.38 |
| Liabilities for Expenses | 1,642.29 | 1,132.17 |
| Statutory dues | 186.92 | 152.67 |
| Deferred Income related to Government Grants | | |
| Opening Balance | 2.47 | 1.61 |
| Add: Deferred Income to be appropriated as Income within One Year | 2.76 | 2.47 |
| Less :Released to Profit and Loss Statement during the year | 2.47 | 1.61 |
| Closing Balance | 2.76 | 2.47 |
| Due to Rossell India Employees' Gratuity Fund | 146.34 | 67.99 |
| | 1,978.52 | 1,498.68 |
| 26. CURRENT TAX LIABILITIES (NET) | | |
| Provision for Central Income Tax | 18.29 | - |
| Provision for Agricultural Income Tax | - | - |
| | 18.29 | - |



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| 27. REVENUE FROM OPERATIONS | | |
| (a) Sale of Products | | |
| Black Tea | 12,167.56 | 11,515.00 |
| Black Pepper | 11.74 | 0.12 |
| Avionics, Aviation and Electronic Equipment | 9,631.74 | 5,701.34 |
| Food and Beverage | 1,688.43 | 1,678.64 |
| | 23,499.47 | 18,895.10 |
| (b) Sale of Services | | |
| Receipts for Technical and Support Services | | |
| | 924.86 | 605.17 |
| (c) Other Operating Revenues | | |
| Subsidy | | |
| - Tea Board Replanting and Irrigation Subsidy | 2.47 | 1.61 |
| - Tea Board Orthodox Subsidy Scheme | 79.79 | 82.29 |
| Sundry Receipts | 145.54 | 67.72 |
| Prior Period Income (Net) | 2.40 | – |
| Changes in Fair Value of Biological Assets | (0.74) | 19.60 |
| Incentive under MEIS entitlement and other Benefits relating to exports / premium on sale thereof | 214.34 | 180.90 |
| | 443.80 | 352.12 |
| | 24,868.13 | 19,852.39 |

| | | |
|---|--------------|--------|
| 28. OTHER INCOME | | |
| Interest Income from Financial Assets at amortised cost | | |
| On Deposits-at amortised cost | 4.68 | 11.01 |
| On Debt Instruments- at amortised cost | – | 11.86 |
| On Loans-at effective interest basis | 1.03 | 2.26 |
| Interest Income from Tax Refunds | 4.62 | 0.42 |
| Dividend Income from Equity Investments in a Subsidiary Company | – | – |
| Dividend Income from Equity Investments designated at FVTPL | 0.30 | 0.38 |
| Profit on Sale of Investments | | 32.05 |
| Profit on Disposal of Property, Plant and Equipment (net) | 8.87 | – |
| Liabilities no Longer Required Written Back (Net) | 8.28 | 26.97 |
| Net Gain on Foreign Currency Transaction and Translation | – | 112.70 |
| Fair Value Gain on Derivatives (Net) | – | 0.82 |
| Changes in Fair Value of Financial Instruments (Equity) | 2.02 | 3.00 |
| | 29.80 | 201.47 |

| | | |
|---|-----------------|----------|
| 29. COST OF MATERIALS CONSUMED | | |
| Purchased Green Leaf Consumed* | 210.65 | 220.98 |
| Consumption of Raw Materials | 6,186.00 | 3,372.58 |
| | 6,396.65 | 3,593.56 |
| * Includes change in Fair Value of Stock of Own Green Leaf on reporting dates | | |



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| 30. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS | | |
| Stock of Work in Progress at the beginning of the year | 423.77 | 317.77 |
| Less: Stock of Work in Progress at the end of the year | 539.14 | 423.77 |
| (Increase) / Decrease | (115.37) | (106.00) |
| Stock of Finished Goods at the beginning of the year | 491.19 | 389.37 |
| Less: Stock of Finished Goods at the end of the year | 831.05 | 491.19 |
| (Increase) / Decrease | (339.86) | (101.82) |
| | (455.23) | (207.82) |
| 31. EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, Wages and Bonus | 8,891.87 | 7,542.53 |
| Contribution to Provident and other Funds | 1,020.60 | 934.27 |
| Workmen and Staff Welfare | 991.76 | 922.75 |
| | 10,904.23 | 9,399.55 |
| 32. FINANCE COST | | |
| Interest Cost on Financial Liabilities carried at amortised cost | | |
| On Term Loans | 99.76 | 154.02 |
| On Working Capital Loans | 845.91 | 567.37 |
| On Inter Corporate Deposits (Related Party) | 31.07 | 8.98 |
| Other Borrowings Cost | 8.33 | 1.25 |
| Net Loss on Foreign Currency Transactions (Net) | 64.19 | (1.52) |
| Loss on Derivatives Transactions (Currency and Interest Swap) | 69.49 | 164.39 |
| | 1,118.75 | 894.49 |
| Less: Provision for Forex Loss on Currency Swap Transactions | | |
| Written back | 64.15 | 176.09 |
| | 1,054.60 | 718.40 |
| Disclosure pursuant to Pararaph 26 of Ind AS 23 Borrowings Cost | | |
| a) The amount of interest capitalised during the year on self constructed asset (Bearer Plants - Capital work in Progress) | 25.37 | 13.31 |
| b) Capitalisation rate used to determine the amount of interest eligible for Capitalisation as per Paragraph 14 | 9.11% | 8.29% |
| c) The amount of interest capitalised during the year on self constructed assets (Building under Construction - Capital work in Progress) | 19.55 | – |
| d) Capitalisation rate used to determine the amount of interest eligible for Capitalisation as per Paragraph 14 | 9.54% | – |
| 33. DEPRECIATION AND AMORTIZATION EXPENSE | | |
| Depreciation on Property, Plant and Equipment | 944.31 | 922.08 |
| Amortization of Other Intangible Assets | 51.53 | 45.00 |
| | 995.84 | 967.08 |

**Notes to the Financial Statements**

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|--|------------------|------------------|
| 34. OTHER EXPENSES | | |
| Consumption of Stores and Spare Parts | 897.60 | 955.67 |
| Power and Fuel | 1,297.92 | 1,199.52 |
| Cess on Green Leaf | 89.67 | 90.42 |
| Tea Cess | – | 5.25 |
| Rent | 770.18 | 742.64 |
| Rates and Taxes | 69.32 | 76.95 |
| Repairs to Building | 137.90 | 134.19 |
| Repairs to Machinery | 237.51 | 198.48 |
| Other Repairs | 220.43 | 221.61 |
| Vehicles Maintenance | 192.45 | 213.56 |
| Transportation Expenses | 234.89 | 240.52 |
| Freight and Shipment Charges | 86.58 | 52.78 |
| Warehousing and Other Selling Expenses | 314.93 | 332.01 |
| Brokerage | 97.33 | 88.79 |
| Commission on Sales | 125.80 | 80.50 |
| Legal and Professional Fees | 164.22 | 167.72 |
| Insurance | 82.53 | 88.71 |
| Directors' Fee and Commission | 11.70 | 12.30 |
| Auditors' Remuneration (Note below) | 5.83 | 7.54 |
| Traveling and Conveyance | 374.51 | 314.26 |
| Miscellaneous Expenses | 517.97 | 470.84 |
| Loss (net) on Disposal of Property, Plant and Equipment | – | 19.14 |
| | 5,929.27 | 5,713.40 |
| Note: Break up of Auditors' Remuneration | | |
| As Auditor | 4.50 | 4.50 |
| For Other Services | | |
| Tax Audit Fee | – | 0.50 |
| Certification Job | 1.08 | 2.38 |
| Reimbursement of Expenses | 0.25 | 0.16 |
| | 5.83 | 7.54 |
| 35. INCOME TAX EXPENSE | | |
| A. Amount recognised in Profit and Loss Statement | | |
| Current Tax | | |
| Assam Agricultural Income Tax for the year | 23.00 | 35.00 |
| Income Tax for the year | – | – |
| Total Current Tax | 23.00 | 35.00 |
| Deferred Tax | | |
| Deferred Tax (Credit) | (41.14) | (220.46) |



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| 35. INCOME TAX EXPENSE (Contd.) | | |
| B. Amount recognised in Other Comprehensive Income | | |
| Deferred Tax Charge (Credit) | | |
| Items that will not be reclassified to profit or loss | | |
| On Remeasurements of post-employment defined benefit obligations | 42.97 | 9.78 |
| Items that will be reclassified to profit or loss | | |
| On Net Gain on Hedge Transactions | – | (0.89) |
| Net Deferred Tax | 42.97 | 8.89 |
| C. Reconciliation of Effective Tax | | |
| The Income Tax Expense for the year reconciled with Accounting Profit as under | | |
| Profit (Loss) before tax | 38.78 | (161.24) |
| Income Tax Expense thereon (Nil being Assessed Loss as per Computation) | – | – |
| Effect of - | | |
| Tax @ 10% of Agricultural Book Profit - Agricultural Income Tax | (23.00) | (35.00) |
| Deferred Tax Assets on carried Forward Tax Losses | 747.82 | 716.80 |
| MAT Credit receivable | 497.07 | 497.07 |
| Differential Depreciation allowable under Income Tax | (340.22) | (357.42) |
| Deferred Tax attributable to other items | (863.53) | (635.99) |
| Income Tax Expense recognised in Profit and Loss Statement | (18.14) | (185.46) |
| 36. EARNINGS PER SHARE | | |
| Profit (Loss) for the Year | 56.92 | 24.22 |
| Weighted average number of Equity Shares outstanding for the purpose of Basic/ Diluted Earnings per Equity Share | 366.96 | 366.96 |
| Earnings per Equity Share of ₹ 2 each | 0.16 | 0.07 |
| 37. CONTINGENT LIABILITIES AND COMMITMENTS | | |
| (i) Estimated amount of Contingent Liabilities not provided for | | |
| a. Claims against the Company not acknowledged as Debts | – | |
| b. Bank Guarantees outstanding | 111.61 | 127.10 |
| (ii) Commitments | | |
| Estimated amount of contracts to be executed on Capital Account and not provided for (net of Advances) | 2,602.77 | 30.18 |
| (iii) Operating Leases | | |
| The Company has entered in to "Operating Lease for Premises" as defined in the Ind AS 17. Significant terms of Leases are: | | |
| a) No transfer of Ownership on termination of Lease, | | |
| b) No compensation for transfer on termination of Lease and | | |
| c) No renewal of Lease on expiry of the Lease Period. | | |
| The future Minimum Lease Payments (MLP) under cancellable Operating Leases in the aggregate and for each of the following periods are as under: | | |
| Not later than 1 year | 629.80 | 795.09 |
| Later than 1 year but not later than 5 years | 1,803.50 | 2,666.86 |
| Later than 5 years | 56.73 | 214.10 |
| | 2,490.03 | 3,676.05 |
| Rental and Other Expenses debited to the Statement of Profit and Loss | | |
| Rent | 734.27 | 705.41 |
| Other Heads | 60.82 | 0.99 |
| | 795.09 | 706.40 |



Notes to the Financial Statements

₹ in lakhs

| | | 31st March, 2019 |
|--|--|------------------|
| 38. EXPENSES ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES | | |
| Gross amount required to be spent by the Company during the year under Section 135(5) of the Companies Act, 2013 : ₹ 1.98 lakhs. | | |
| Actual Amount spent during the year as detailed hereunder : | | |
| Used for purposes other than Construction of any Property (In cash/ Bank Payment) | | |
| 1) Mobile Cheches, Delhi Community based creches at urban slum | | 8.00 |
| 2) BMG Foundation for Promoting Preventive Health Care | | 12.75 |
| 3) Bharat Blind School for supporting blind students by contributing towards food and education. | | 0.52 |
| 4) The Society for Welfare of Differently Abled Persons (Physically Handicapped) Education and Research Centre. | | 0.60 |
| Total Direct Expenses incurred during the year | | 21.87 |

All the above expenses were paid in full during the year ended 31st March, 2019 and there was no unpaid balance on this account as on 31.03.2019.

| 39. SEGMENT INFORMATION | | |
|--|--|--|
| In terms of Ind AS 108, the Company has the following reportable Operating Segments as Primary Segments: | | |
| Business Activity | Operating Segment | |
| A. Cultivation, Manufacture and Sale of Tea | Cultivation, Manufacture and Sell of Bulk Tea, | |
| B. Aviation Products and Services | Engineering and Manufacturing in Aerospace and Defense | |
| C. Hospitality | Operation of Quick Service Restaurants under the Brand name "Kebab Xpress" | |

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| Segments' Revenue | | |
| A. Cultivation, Manufacture and Sale of Tea | 12,423.92 | 11,771.08 |
| B. Aviation Products and Services | 10,746.78 | 6,397.21 |
| C. Hospitality | 1,697.43 | 1,684.10 |
| Total Revenue from Operations | 24,868.13 | 19,852.39 |
| Revenue from External Customers' | | |
| Country of Domicile | | |
| India | 12,524.69 | 11,489.28 |
| Foreign Countries | | |
| USA | 9,863.28 | 5,789.19 |
| UK | 579.41 | 396.83 |
| France | 436.73 | 329.47 |
| Germany | 463.15 | 475.41 |
| Other Countries | 1,000.87 | 1,372.21 |
| Total | 12,343.44 | 8,363.11 |
| | 24,868.13 | 19,852.39 |
| Information about Major Customers | | |
| The Boeing Company, USA | 9,630.08 | 5,446.28 |
| % of Total Revenue | 38.72 | 27.43 |
| Starbucks Manufacturing Corp | 257.24 | 342.81 |
| % of Total Revenue | 1.03 | 1.73 |
| Taylors of Harrogate | 574.70 | 396.83 |



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|--|------------------|------------------|
| 39. SEGMENT INFORMATION(Contd.) | | |
| % of Total Revenue | 2.31 | 2.00 |
| Segments' Results | | |
| A. Cultivation, Manufacture and Sale of Tea | 939.72 | 1,235.98 |
| B. Aviation Products and Services | 1,252.94 | 381.00 |
| C.Hospitality | (762.04) | (1,091.41) |
| | 1,430.62 | 525.57 |
| Less: Interest | 1,049.26 | 730.10 |
| Exchange Loss on Derivative and other transactions | 5.34 | (11.70) |
| Unallocated Expenses net of unallocated Income | 326.24 | (31.59) |
| Profit (Loss) before Tax before exceptional items | 49.78 | (161.24) |
| Segments' Assets | | |
| A. Cultivation, Manufacture and Sale of Tea | 16,091.68 | 15,939.31 |
| B. Aviation Products and Services | 13,449.59 | 9,683.96 |
| C.Hospitality | 966.62 | 1,115.65 |
| | 30,507.89 | 26,738.92 |
| Add: Unallocated | 3,298.54 | 3,013.14 |
| Total Assets | 33,806.43 | 29,752.06 |
| Segment Assets include the following Capital Expenditure for the year | | |
| A. Cultivation, Manufacture and Sale of Tea | 392.62 | 497.32 |
| B. Aviation Products and Services | 194.37 | 721.14 |
| C.Hospitality | 26.06 | 9.14 |
| | 613.05 | 1,227.60 |
| Add: Unallocated | 2.67 | 37.21 |
| Total Additions to Property, Plant and Equipment during the year | 615.72 | 1,264.81 |
| Segment Assets also include the amount of investment in Associate (Joint Venture) in Equity and Preference Instruments accounted for by Equity Method. | - | 1,756.95 |
| Segments' Liabilities | | |
| A. Cultivation, Manufacture and Sale of Tea | 10,614.46 | 9,528.23 |
| B. Aviation Products and Services | 5,926.65 | 3,111.89 |
| C.Hospitality | 117.86 | 110.35 |
| | 16,658.97 | 12,750.47 |
| Add: Unallocated | 226.02 | 131.47 |
| | 16,884.99 | 12,881.94 |

40. EMPLOYEE BENEFIT OBLIGATION

Defined Contribution Plans

The Company operates defined contribution scheme for payment of pension for certain eligible employees. Under the scheme, contributions are made by the Company, based on current salaries, to the recognized Superannuation Fund maintained by the Company. The Company is also contributing to the Governments administered Provident Funds in respect of all the qualifying employees.

An amount of ₹ 770.69 lakhs (2018 – ₹ 736.65 Lakhs) has been charged to the Statement of Profit and Loss on account of defined contribution schemes.

Defined Benefit Plans

The Company also operates defined benefit scheme in respect of gratuity benefit towards its employees. This schemes offer specified benefits to the employees on retirement, death, disability or cessation of employment. The liability arising for the Defined Benefit Scheme is determined in accordance with the advice of independent, professionally qualified actuary, using the Projected Unit Credit (PUC) actuarial method as at year end. The Company makes regular contribution for this Employee Benefit Plan to a recognized Gratuity Fund. This Fund is administered through approved Trust, which operate in accordance with the Trust Deed and Rules.

Gratuity - Funded



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| Disclosure of Defined Benefit Cost | | |
| A. Profit and Loss | | |
| 1. Current Service Cost | 151.31 | 141.52 |
| 2. Past Service Cost - Plan amendments | – | 23.55 |
| 3. Curtailment Cost/(Credit) | – | – |
| 4. Settlement Cost/(Credit) | – | – |
| 5. Service Cost | 151.31 | 165.07 |
| 6. Net interest on net defined benefit liability / (asset) | (6.72) | (4.30) |
| 7. Immediate recognition of (gains)/losses - other long term employee benefit plans | 42.38 | – |
| 8. Cost recognised in the Statement of Profit and Loss Account | 186.97 | 160.77 |
| B. Other Comprehensive Income (OCI) | | |
| 1. Actuarial (gain)/loss due to DBO experience | 122.72 | 80.83 |
| 2. Actuarial (gain)/loss due to DBO assumption changes | 21.89 | (60.73) |
| 3. Actuarial (gain)/loss arising during the period | 144.61 | 20.10 |
| 4. Return on plan assets (greater)/less than discount rate | (9.13) | 11.24 |
| 5. Actuarial (gains)/losses recognized in OCI | 135.48 | 31.34 |
| C. Defined Benefit Cost | | |
| 1. Service Cost | 151.31 | 165.07 |
| 2. Net interest on net defined benefit liability / (asset) | (6.72) | (4.30) |
| 3. Actuarial (gains)/losses recognized in OCI | 135.48 | 31.34 |
| 4. Immediate recognition of (gains)/losses - other long term employee benefit plans | 42.38 | – |
| 5. Defined Benefit Cost | 322.45 | 192.11 |
| Movement of Defined Benefit Obligation and Plan Assets | | |
| A. Change in Defined Benefit Obligations (DBO) | | |
| 1. DBO at the end of prior period | 2,003.40 | 1,951.12 |
| 2. Current Service Cost | 151.31 | 141.52 |
| 3. Interest Cost on the DBO | 145.68 | 134.49 |
| 4. Curtailment Cost/(Credit) | – | – |
| 5. Settlement Cost/(Credit) | – | – |
| 6. Past Service Cost - Plan amendments | – | 23.55 |
| 7. Acquisitions | – | – |
| 8. Actuarial (gain)/loss - experience | 122.72 | 80.83 |
| 9. Actuarial (gain)/loss - demographic assumptions | – | – |
| 10. Actuarial (gain)/loss - financial assumptions | 21.89 | (60.73) |
| 11. Benefits Paid directly by the Company | – | – |
| 12. Benefits paid from plan assets | (222.93) | (267.38) |
| 13. DBO at the end of current period | 2,222.07 | 2,003.40 |
| B. Change in Fair Value of Assets | | |
| 1. Fair value of assets at the end of the prior period | 2,003.40 | 1,940.39 |
| 2. Acquisition adjustment | – | – |
| 3. Interest income on plan assets | 152.40 | 138.79 |
| 4. Employer contributions | 322.45 | 202.83 |
| 5. Return on plan assets greater / (lesser) than discount rate | 9.13 | (11.23) |
| 6. Benefits paid | (222.93) | (267.38) |
| 7. Fair Value of assets at the end of current period | 2,264.45 | 2,003.40 |



Notes to the Financial Statements

₹ in lakhs

| | 31st March, 2019 | 31st March, 2018 |
|---|-------------------|-------------------|
| Actuarial Assumptions as at 31st March, 2019 | | |
| 1. Discount Rate (%) | 7.60 | 7.70 |
| 2. Rate of Salary Increase (%) | 5.00 | 5.00 |
| The Discount Rate as at 31st March, 2019 is based on the yield on Government Bonds as on 28th March, 2019. | | |
| Sensitivity Analysis | | |
| A. Discount Rate (%) | 7.60 | 7.70 |
| 1 Effect on DBO due to 1% increase in Discount Rate | (203.54) | (182.11) |
| Percentage Impact | (9.16) | (9.10) |
| 2 Effect on DBO due to 1% decrease in Discount Rate | 240.47 | 214.99 |
| Percentage Impact | 10.82 | 10.70 |
| B. Salary escalation rate (%) | 5.00 | 5.00 |
| 1 Effect on DBO due to 1% increase in Salary Escalation Rate | 241.75 | 217.00 |
| Percentage Impact | 10.88 | 10.80 |
| 2 Effect on DBO due to 1% decrease in Salary Escalation Rate | (208.35) | (186.68) |
| Percentage Impact | (9.38) | (9.30) |
| Method used for sensitivity analysis: The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time. | | |
| IV. Actuarial Calculations under Indian Accounting Standard (Ind AS) 19 - Additional Disclosure Information | | |
| A. Maturity Profile of the Defined Benefit Obligation | | |
| 1. Within 1 year | 114.77 | 103.89 |
| 2. 1-2 year | 122.62 | 138.77 |
| 3. 2-3 year | 181.32 | 122.46 |
| 4. 3-4 year | 177.06 | 158.64 |
| 5. 4-5 year | 225.78 | 175.84 |
| 6. 5-10 year | 1,224.27 | 1,205.01 |
| B. Expected employer contribution to the plan for next year March, 2019 (Taken as Payable to the Fund as at the year end) | | |
| | 146.34 | 67.99 |
| C. Plan Asset Information as at 31st March, 2019 | | |
| | Percentage | Percentage |
| Government of India Securities (Central and State) | 40.35 | 44.34 |
| High quality Corporate Bonds (including Public Sector Bonds) | 20.59 | 22.61 |
| Cash (including Special Deposits) | 2.09 | 7.12 |
| Schemes of Insurance - Conventional Products | 28.46 | 7.98 |
| Schemes of Insurance - ULIP Products | 4.14 | 13.66 |
| Other | 4.37 | 4.29 |
| Total | 100.00 | 100.00 |

**Notes to the Financial Statements**

₹ in lakhs

41. RELATED PARTY DISCLOSURE AS PER IND AS 24 FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**Subsidiary Company (Fully Owned)**

CAE Rossell India Ltd. (Present Status - Under Process of Striking Off)

Holding Company

BMG Enterprises Ltd

(Extent of holdings of Equity Shares - 62.99%)

Enterprises over which the Key Management Personnel or their relatives have significant influence

BMG Investments Private Ltd

Harvin Estates Private Ltd

BMG Foundation

Key Management Personnel

Mr. H.M.Gupta Executive Chairman

Mr. C.S.Bedi Managing Director (Ceased w.e.f. 1st september,2017)

Mr. R M Gupta Whole Time Director (w.e.f. 9th February, 2018)*

Mr. N K Khurana Director (Finance) and Company Secretary (w.e.f. 1st September, 2017)

Dr. S S Bajjal Non-Executive Director

Mr. V P Agarwal Non-Executive Director

Mr. H M Parekh Non-Executive Director

Ms. Nayantara Palchoudhuri Non-Executive Director

Relatives of Key Management Personnel with whom transactions took place during the year

Mr. R M Gupta Son of Mr. H M Gupta (upto 8th February, 2018)*

Mrs. Vinita Gupta Wife of Mr. H M Gupta

Ms. Samara Gupta Daughter of Mr. H M Gupta

Mrs. Sonia Bedi Wife of Mr. C S Bedi

| | Financial Year | |
|--|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Transactions/ balance with Subsidiary | | |
| a) Investment in Equity Shares of Subsidiary Company Written Off | 11.00 | - |
| b) Balance of Investment at year end | - | 11.00 |
| Transactions/ balance with Associates | | |
| Cost of Investment at year end | - | 2,016.49 |
| - Since Impaired and Value net of Impairment | - | 1,756.95 |
| Transactions/ balances with Enterprises over which the Key Management Personnel or their relatives have significant influence | - | - |
| a) Loan from BMG Enterprises Ltd., Holding Company | | |
| At the beginning of the year | | |
| Principal | - | - |
| Interest | - | - |
| Received during the year | 231.00 | 115.00 |
| Repayment during the year | - | 115.00 |
| Interest paid | 7.64 | 2.25 |
| At the end of the year | | |
| Principal | 231.00 | - |
| Interest | - | - |
| b) Loan from BMG Investment Pvt Ltd | | |
| At the beginning of the year | | |
| Principal | 310.00 | - |
| Interest | - | - |
| Received during the year | 480.00 | 310.00 |
| Repayment during the year | 310.00 | - |



Notes to the Financial Statements

₹ in lakhs

| | Financial Year | |
|---|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Interest paid * | 33.63 | 6.73 |
| At the end of the year | | |
| Principal | 480.00 | 310.00 |
| Interest | - | - |
| *includes interest of ₹ 10.20 lakhs capitalized by Rossell Techsys Division | | |
| Transactions/ balances with Enterprises where significant influence is exercisable | | |
| a) Rent paid for Office Space | | |
| - Harvin Estate Pvt. Ltd. | 6.00 | 6.00 |
| b) Rent for Residential Accommodation | | |
| - Harvin Estate Pvt. Ltd. | 6.00 | 6.00 |
| c) Contribution made for charitable purpose (Included in CSR Activities) | | |
| - BMG Foundation | 12.75 | 7.00 |
| Transactions with Key Management Personnel: | | |
| a) Short Term Employment Benefits | | |
| - Mr. H. M. Gupta | 111.09 | 110.90 |
| - Mr. C. S. Bedi (Upto 31st August, 2017 in the Financial Year 2017-2018) | - | 32.11 |
| - Mr. N. K. Khurana [As Director (Finance) and Company Secretary w.e.f 01.09.2017] | 47.96 | 26.48 |
| - Mr. N. K. Khurana [As CFO cum Company Secretary till 31.08.2017] | - | 18.76 |
| - Mr. R M Gupta [As Whole Time Director w.e.f 09.02.2018] | 82.84 | 10.98 |
| b) Post-Employment Benefit | | |
| - Mr. H. M. Gupta | 10.08 | 10.08 |
| - Mr. C. S. Bedi (Upto 31st August, 2017 in the Financial Year 2017-2018) | - | 5.00 |
| - Mr. N. K. Khurana [As Director (Finance) and Company Secretary w.e.f 01.09.2017] | 13.64 | 6.48 |
| - Mr. N. K. Khurana [As CFO cum Company Secretary upto 31.08.2017] | - | 4.63 |
| - Mr. R M Gupta [As Whole Time Director w.e.f 09.02.2018] | 7.34 | 1.13 |
| c) Long-Term Employment Benefit | | |
| - Mr. N. K. Khurana [As Director (Finance) and Company Secretary w.e.f. 01.09.2017] | 1.47 | 1.22 |
| - Mr. N. K. Khurana [As CFO cum Company Secretary till 31.08.2017] | - | 0.87 |
| d) Rent for Residential Accommodation | | |
| - Mr. C. S. Bedi (Upto 31st August, 2017 in the Financial Year 2017-2018) | - | 1.75 |
| Transactions with relatives of Key Management Personnel | | |
| a) Short Term Employment Benefits | | |
| - Mr. R M Gupta [As Executive Vice President till 08.02.2018] | - | 66.48 |
| - Mrs. Vinita Gupta | 40.74 | 40.15 |
| - Ms. Samara Gupta | 30.08 | 35.65 |
| b) Post-Employment Benefits | | |
| - Mr. R M Gupta [As Executive Vice President till 08.02.2018] | - | 6.83 |
| - Mrs. Vinita Gupta | 5.78 | 6.88 |
| - Ms. Samara Gupta | 2.98 | 4.16 |
| c) Rent for Residential Accommodation | | |
| - Mrs. Sonia Bedi (Upto 31st August, 2017 in the Financial Year 2017-18) | - | 1.75 |
| Transactions with Post Employment Benefit Plan - Contributions | | |
| a) Contribution to Rossell India Employees' Gratuity Fund as per Actuarial Valuation | 322.45 | 205.61 |
| b) Balance payable to Rossell India Employees' Gratuity Fund | 146.34 | 67.99 |
| Transactions with Non-Executive Directors | | |
| Sitting Fees | | |
| - Dr. S S Bajjal | 3.05 | 3.05 |
| - Mr. V P Agarwal | 3.30 | 3.25 |
| - Mr. H M Parekh | 2.55 | 3.20 |
| - Ms. Nayantara Palchoudhuri | 2.80 | 2.80 |



Notes to the Financial Statements

₹ in lakhs

42. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company's business activities expose it to certain financial risks - market risk, liquidity risk and credit risk. In order to minimize those risks, the Company has risk management policies and procedures in place as approved by the Audit Committee of the Board of Directors of the Company after due evaluation of key risks facing the business of the Company:

a) Market Risk

The Company's business of Cultivation, Manufacture and Sale of Tea is primarily agricultural in nature. Moreover, the sale price of Tea is largely determined by the market forces of demand and supply. Thus, adverse weather conditions and uncertain tea market expose it to the risk that the fair value or future cash flows may adversely fluctuate. The Company closely monitors the changes in market conditions and select the sales strategies to mitigate its exposure to various market risks. Other Market risks are as under:

i. Foreign Currency Risk

The Company undertakes significant transactions denominated in foreign currency with its customers in relation to Exports by Rossell Tea Division and 100% EOU of Rossell Techsys Division as well as dealing with Foreign OEMs in relation to Aerotech Services Division. This results in wide exposure to exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement of risks arising from recognized assets and liabilities, which are not in the Company's functional currency (Indian Rupees). A significant portion of these transactions are in US Dollar, Euro and British Pound Sterling etc.

The Company, as Risk Management Policy, hedges its exposure in foreign exchange whenever considered appropriate based on their perception about such market and reviews periodically its exposure therein to ensure that results from fluctuating currency exchange rate are appropriately managed.

The exposure to foreign currency as on 31st March, 2019 is given as under:

| | USD | EURO |
|---|--------------|-------------|
| Financial Assets (A) | | |
| Trade Receivable | 21.81 | 1.95 |
| Other Receivables | 0.93 | - |
| Investments in Equity/ Preference Instruments | 36.96 | |
| | 59.70 | 1.95 |
| Financial Liabilities (B) | | |
| Trade Payable | 13.38 | - |
| Other Payables | - | - |
| | 13.38 | - |
| Net Exposure in Foreign Currency (A-B) | 46.32 | 1.95 |

The impact of sensitivity analysis (10% appreciation / depreciation of the foreign currency with respect to functional currency) arising on account of above outstanding foreign currency denominated assets and liabilities would be ₹ 337.78 lakhs

ii. Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The objectives of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimize counter party risks.

The Company is exposed to interest rate volatilities primarily with respect to its borrowings from banks as well as by way of inter corporate deposit. Such volatilities primarily arise due to changes in Marginal Cost of Lending rates of Banks as well as other economic parameters of the Country. The Company manages such risk by operating with Banks having strong fundamentals with comparatively lower Marginal Cost of Lending Rates in the Market.

Interest rate sensitivity

Since the significant amount of borrowings of the Company are short term in nature, the possible volatility in the interest rate is minimal.



Notes to the Financial Statements

₹ in lakhs

b) Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty, including seasonality, in meeting its obligations due to shortage of liquid assets.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables, close monitoring of its credit cycle, ensuring optimal movements of its inventories and avoid blockage of working capital in non-productive current assets.

The remaining contractual maturities of significant financial liabilities payable within one year (other than borrowings from the Banks) as at 31st March, 2019 are as under:

| | |
|-----------------------------|-----------------|
| Trade Payables | 1,514.51 |
| Other Financial Liabilities | 504.20 |
| Other Current Liabilities | 1,978.52 |
| Total | 3,997.23 |

c) Credit Risk

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

The Company has its policies to limit its exposure to credit risk arising from outstanding receivables. Management regularly assess the credit quality of its customer's based on which, the terms of payment are decided. Credit limits are set for each customer which are reviewed at periodic intervals. The credit risk of the Company is low as the Company sells a significant volume of its Teas through the auction system which is on cash and carry basis. The exports are made mostly to worldwide reputed Corporates like Boeing, Starbucks, and Taylors of Harrogate etc., and otherwise backed by letter or credit or on advance basis.

The Company has expected credit risk on Trade Receivables of ₹ 5.49 lakhs as on 31st March, 2019 (Note 13). However, no provision has been made by the Company in respect thereof.

43. FAIR VALUE MEASUREMENTS

Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The management consider that the carrying amounts of financial assets (other than those measured at fair values) and liabilities recognized in the financial statements approximate their fair value as on 31st March, 2019.

There were no transfers between Level 1, Level 2 and Level 3 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------|-----------------|----------|-----------------|
| 1. Financial assets and liabilities measured at fair value – recurring fair value measurements as at 31st March, 2019 | | | | |
| Financial Assets (A) | | | | |
| Investment in Equity Instruments measured at FVTPL | – | 54.61 | – | 54.61 |
| Investment in Equity Instruments measured at FVTOCI | – | 1,842.97 | – | 1,842.97 |
| Total | – | 1,897.58 | – | 1,897.58 |
| Financial Liabilities (B) | – | – | – | – |
| Net (A) – (B) | – | 1,897.58 | – | 1,897.58 |



Notes to the Financial Statements

₹ in lakhs

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------|----------------|--------------|----------------|
| 2. Biological Assets other than Bearer Plants measured at Fair Value | | | | |
| Unharvested Green Tea leaves | – | – | 80.44 | 80.44 |
| Agricultural Produce | | | | |
| – Green Leaf | – | 3.48 | – | 3.48 |
| – Black Pepper | – | 16.94 | – | 16.94 |
| Total | – | 20.42 | 80.44 | 100.86 |
| Grand Total (1 + 2) | – | 1918.00 | 80.44 | 1998.44 |

44. Subsidiary Company and Associates

The Company had one wholly owned Subsidiary in India, CAE Rossell India Ltd. This Company never commenced any business and accordingly an application was made to the Registrar of Companies, Delhi on 4th February, 2019 for getting the name of the Company removed from the Register of Companies. The present status of such application is "Under Process of Striking Off". The amount of investment made by the Company in the said Subsidiary has been written off as an Extraordinary Item in the Profit and Loss Statement.

The Company also had a Joint Venture in Singapore, being an Associate within the meaning of Sec. 2 (6) of the Companies Act, 2013 with extend to holding 26% as on 31st March, 2018. However, by another agreement executed by and between the parties on 31st August, 2018, the arrangement ceased to become Joint Venture with Company's shareholding reduced to 13% with change the status as Minority Shareholder. In view of this, the Company does not have any Associates Company within the meaning of section 2 (6) of the Companies Act, 2013 on and from that date. Hence the Company is not required to prepare consolidated Financial Statement any more in terms of Section 129(3) of the Companies Act 2013.

45. General

Previous Years' figures have been regrouped / rearranged wherever considered appropriate to make them comparable with this year.

In terms of our Report of even date

For **KHANDELWAL RAY & CO.**

Chartered Accountants

Registration No. 302035E

Pinaki Sarkar

Partner

Membership No.051449

Place: Kolkata

Date: 24th May, 2019

H. M. Gupta

Executive Chairman

DIN: 00065973

N. K. Khurana

Director (Finance) and

Company Secretary

M. No.: FCS 2173

Place: Delhi

Date: 24th May, 2019

N. Palchoudhuri

Director

DIN: 00581440



PROFITABILITY STATEMENT FOR 10 YEARS

| FINANCIAL YEAR | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|
| Quantitative Information (lakh Kgs.) | | | | | | | | | | |
| Black Tea | | | | | | | | | | |
| Saleable production | 55.06 | 53.25 | 49.43 | 50.78 | 48.89 | 55.59 | 43.54 | 39.93 | 40.03 | 42.89 |
| Sales | 54.56 | 53.12 | 50.60 | 49.20 | 48.87 | 55.16 | 43.09 | 41.02 | 39.65 | 42.63 |
| Financial Information (₹ in lakhs) | | | | | | | | | | |
| Revenue from Operations | | | | | | | | | | |
| Black Tea | 12,423.92 | 11,771.08 | 11,212.60 | 12,125.08 | 11,262.78 | 12,537.24 | 9,356.47 | 7,328.96 | 6,757.36 | 6,807.17 |
| Aviation Products and Services | 10,746.78 | 6,397.21 | 3,838.14 | 2,832.48 | 1,897.85 | 1,172.27 | 1,039.05 | 934.74 | 835.89 | 839.24 |
| Others | 1,697.43 | 1,684.10 | 1,329.73 | 1,155.62 | 878.19 | 430.62 | 200.38 | - | - | - |
| Total Revenue from Operations | 24,868.13 | 19,852.39 | 16,380.47 | 16,113.18 | 14,038.82 | 14,140.13 | 10,595.90 | 8,263.70 | 7,593.25 | 7,646.41 |
| Other Income | 29.80 | 201.47 | 316.16 | 554.60 | 273.27 | 480.62 | 163.61 | 103.40 | 285.72 | 220.65 |
| Total Income | 24,897.93 | 20,053.86 | 16,696.63 | 16,667.78 | 14,312.09 | 14,620.75 | 10,759.51 | 8,367.10 | 7,878.97 | 7,867.06 |
| Expenses | 22,797.72 | 18,529.62 | 15,885.83 | 13,789.66 | 12,056.28 | 10,417.08 | 7,692.20 | 5,762.67 | 5,143.82 | 4,976.69 |
| Profit before Depreciation and Finance Cost | 2,100.21 | 1,524.24 | 810.80 | 2,878.12 | 2,255.81 | 4,203.67 | 3,067.31 | 2,604.43 | 2,735.15 | 2,890.37 |
| Depreciation | 995.84 | 967.08 | 886.17 | 953.01 | 956.41 | 416.00 | 306.86 | 195.74 | 180.10 | 164.17 |
| Profit/(Loss) before Finance Cost | 1,104.37 | 557.16 | (75.37) | 1,925.11 | 1,299.40 | 3,787.67 | 2,760.45 | 2,408.69 | 2,555.05 | 2,726.20 |
| Finance Cost | 1,054.60 | 718.40 | 670.68 | 719.49 | 724.45 | 914.48 | 217.69 | 56.17 | 138.34 | 227.11 |
| Profit/(Loss) before Exceptional item | 49.77 | (161.24) | (746.05) | 1,205.62 | 574.95 | 2,873.19 | 2,542.76 | 2,352.52 | 2,416.71 | 2,499.09 |
| Exceptional Item | 11.00 | - | - | - | - | - | 1,358.45 | (72.00) | - | - |
| Profit/(Loss) before Tax | 38.77 | (161.24) | (746.05) | 1,205.62 | 574.95 | 2,873.19 | 3,901.21 | 2,280.52 | 2,416.71 | 2,499.09 |
| Current Tax | | | | | | | | | | |
| - For Current Year | 23.00 | 35.00 | - | 300.00 | 170.00 | 650.00 | 820.00 | 475.00 | 485.00 | 500.00 |
| - For Earlier Years | - | - | - | 100.00 | - | - | - | - | - | - |
| Deffered Tax Adjustment | (41.14) | (220.46) | (191.00) | (151.84) | 4.48 | 183.00 | 53.00 | (65.00) | 5.00 | 68.00 |
| Profit/(Loss) after Tax | 56.91 | 24.22 | (555.05) | 957.46 | 400.47 | 2,040.19 | 3,028.21 | 1,870.52 | 1,926.71 | 1,931.09 |
| Earning Per Share Rs 2 each (₹)* | 0.16 | 0.07 | (1.51) | 2.61 | 1.09 | 5.56 | 8.25 | 5.10 | 5.25 | 26.31 |
| Dividend Per Share of Rs.2 each (₹)* | - | - | 0.20** | 0.50 | 0.50 | 0.50 | 0.50 | 0.40 | 0.40 | 2.00 |

* Face Value of ₹ 10 per Share upto the FY 2009-2010

** Dividend paid from General Reserve

Note:

The Company has adopted "Ind AS" with effect from 1st April 2017 in the Financial Year 2017-2018 with transition date as at 1st April, 2016. The above Financial information for the year 2016-2017 have been re-stated to confirm to Ind AS.

**STATEMENT OF APPROXIMATE AREA, CROP AND YIELD**

| TEA ESTATES | Tea Bearing Area in Hectares | Crop (Kgs.) 2018-2019 | Yield per Bearing Hectare |
|--------------|------------------------------|-----------------------|---------------------------|
| DIKOM | 602 | 12,86,713 | 2,137 |
| NOKHROY | 325 | 5,22,181 | 1,607 |
| NAGRIJULI | 561 | 11,52,724 | 2,055 |
| BOKAKHAT | 291 | 4,78,893 | 1,646 |
| ROMAI | 292 | 5,65,275 | 1,936 |
| NAMSANG | 295 | 5,50,959 | 1,868 |
| KHARIKATIA | 434 | 9,16,820 | 2,112 |
| TOTAL | 2,800 | 54,73,565 | 1,955 |



ROSSELL INDIA LIMITED

Regd. Office : Jindal Towers, Block 'B', 4th Floor,

21/1A/3, Darga Road, Kolkata - 700 017

Phone: +91-33-2287 4794, 4061 6083

Email : corporate@rosselltea.com



Rossell India Limited

CIN : L01132WB1994PLC063513

Registered Office : Jindal Towers, Block 'B', 4th Floor

21/1A/3, Darga Road, Kolkata - 700 017, Website : www.rossellindia.com

Phone : 033 22903035, Fax : 033 22875269, E-mail : corporate@rosselltea.com

ATTENDANCE SLIP

I hereby record my presence at the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Company on Friday the 9th August, 2019, at 10.30 A.M. at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017 or any adjournment thereof.

| | |
|---|--|
| Name of Member(s) (including joint holders, if any) IN BLOCK LETTER | |
| Registered Address of the Sole /First Named Member | |
| Registered Folio No. / DP ID / Client ID | |
| Number of Shares held | |
| Name of Representative / Proxy, if any | |



Rossell India Limited

CIN : L01132WB1994PLC063513

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

PROXY FORM - FORM NO. MGT-11

[(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)]

| | |
|------------------------------------|--|
| Name of the Member (s): | |
| Registered address : | |
| E-mail Id: Folio No./Client Id: | |
| DPID: | |

I/We, being the member(s) holding..... Shares of Rossell India Limited, hereby appoint

- Name :
Address :
E-mail Id : Signature : _____, or failing him;
- Name :
Address :
E-mail Id : Signature : _____, or failing him;
- Name :
Address :
E-mail Id : Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Twenty Fifth Annual General Meeting** of the Company, to be held on Friday, the 9th August, 2019 at 10.30 A.M. at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Description | Optional (✓) | |
|--------------------------|---|--------------|---------|
| | | For | Against |
| Ordinary Business | | | |
| 1 | To Adopt the Audited Financial Statements relating to the financial year ended 31 st March, 2019 and Auditors Report and Directors report thereon. | | |
| 2 | To appoint a Director in place of Mr. H.M. Gupta (DIN: 00065973), who retires by rotation, and, being eligible offers himself for re-appointment. | | |
| Special Business | | | |
| 3 | To appoint Mr. Krishan Katyal (DIN- 00765487) as an Independent Director of the Company. | | |
| 4 | To appoint Mr. Mr. Ajai Shukla (DIN - 06459352) as an Independent Director of the Company. | | |
| 5 | To ratify the remuneration payable to M/s. Shome & Banerjee, Cost Accountants as Cost Auditors. | | |

SIGNATURE OF THE SHAREHOLDER(S)

SIGNATURE OF PROXY

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE DULY SIGNED

FOR ATTENTION OF THE MEMBER

Members may please note the User ID and Password given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Detailed instructions for e-voting are given in the Notes given in the Notice calling the Twenty Fifth Annual General Meeting.

ELECTRONIC VOTING PARTICULARS

| EVEN (E-Voting Even Number) | USER ID | PASSWORD |
|--------------------------------|---------|----------|
| | | |

Signed this _____ day of _____ 2019

Signature of Shareholder(s) _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp
Re.1

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.