



McLEOD RUSSEL  
*Believe in tea*

14<sup>th</sup> August 2019

The Secretary  
Bombay Stock Exchange Ltd  
P.J. Towers, 25<sup>th</sup> Floor  
Dalal Street,  
MUMBAI -400 001  
Scrip Code:532654

The Secretary  
National Stock Exchange  
of India Ltd, Listing Dept.  
Exchange Plaza, 5<sup>th</sup> Fl.  
Plot No.C/1, G-Block  
Bandra-Kurla Complex  
Bandra (E)  
MUMBAI - 400 051  
Scrip Code:MCLEODRUSS

The Secretary  
The Calcutta Stock -  
Exchange Ltd  
7, Lyons Range  
KOLKATA 700001  
Scrip Code:10023930

Dear Sir,

**NOTICE CONVENING THE TWENTY-FIRST ANNUAL GENERAL MEETING OF THE COMPANY**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, we submit herewith the **Notice** convening the Twenty-first Annual General Meeting of the Members of the Company scheduled to be held on Monday, 9<sup>th</sup> September 2019 at Kolkata for your information and record.

We write to inform you that the Register of Members and Share Transfer Books of the Company will remain closed from **3<sup>rd</sup> September 2019 to 9<sup>th</sup> September 2019** (both days inclusive) in connection with the Annual General Meeting of the Members of the Company.

Please acknowledge receipt.

Yours faithfully,  
**McLEOD RUSSEL INDIA LIMITED**

**DEBANJAN SARKAR**  
**(COMPANY SECRETARY &  
COMPLIANCE OFFICER)**

Encl : as above.

Registered Office :

**McLEOD RUSSEL INDIA LIMITED**

Corporate Identity Number (CIN) : L51109WB1998PLC087076

FOUR MANGOE LANE, SURENDRA MOHAN GHOSH SARANI, KOLKATA - 700 001

TELEPHONE : 033-2210-1221, 2248-9434 / 35, FAX : 91-33-2248-8114 / 6265

E-mail : administrator@mcleodrussel.com Website : www.mcleodrussel.com



**A Williamson Magor Group Enterprise**



**McLEOD RUSSEL**  
*Believe in tea*

## McLEOD RUSSEL INDIA LIMITED

Registered Office : Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001

CIN: L51109WB1998PLC087076

Email: administrator@mcleodrussel.com, Web: www.mcleodrussel.com

Telephone: 033-2210-1221, 2248-9434/35

Fax : 033-2248-3683, 033-2248-8114, 033-2248-6824

## NOTICE

Notice is hereby given that the Twenty-first Annual General Meeting of the Members of the Company will be held on Monday, 9th September, 2019 at 10.30 a.m. at Uttam Mancha, 10/1/1, Manohar Pukur Road, Hazra, Kolkata-700026, to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt :
  - a. the audited Financial Statements of the Company for the financial year ended 31st March 2019, and the Reports of the Board of Directors and the Auditors thereon.
  - b. the audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2019 and the Report of the Auditors thereon.
2. To decide that the vacancy caused by the retirement of Mr. Rajeev Takru by rotation, who does not offer himself for re-appointment, shall not be filled up and in this regard, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to section 152(7) of the Companies Act, 2013 that the vacancy caused by the retirement of Mr. Rajeev Takru (holding DIN 00023796) by rotation at this Annual General Meeting, who has not offered himself for re-appointment, shall not be filled up."
3. **Approval of Statutory Auditors to fill casual vacancy:**

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

"RESOLVED THAT pursuant to the provisions of Section 139(8) and 142 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, the appointment of M/s. Lodha & Co., Chartered Accountants, (Firm Registration No. 301051E), who were appointed as the Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration No. 117366W/W-100018), to hold office from 29th July, 2019, till the conclusion of the 21st Annual General Meeting of the Company, at a remuneration as may be determined by the Audit Committee in consultation with the Statutory Auditors and fixed by the Board of Directors of the Company, be and is hereby approved."
4. To consider and pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Lodha & Co., Chartered Accountants (Registration firm No. 301051E) be and are hereby appointed as the Auditors of the Company for a term of 5 (five) consecutive years to hold office from the conclusion of this 21st Annual General Meeting till the conclusion of the 26th Annual General Meeting, at a remuneration as may be determined by the Audit Committee in consultation with the Statutory Auditors and fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and upon recommendation of Nomination and Remuneration Committee and Board of Directors, Mrs. Arundhuti Dhar (holding DIN 03197285) be and is hereby appointed a Director of the Company with immediate effect and as an Independent Director of the Company for a consecutive period of five years with effect from 30th May, 2019."
6. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and upon recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. Raj Vardhan (holding DIN 08513917) be and is hereby appointed a Director of the Company with immediate effect and as an Independent Director of the Company for a consecutive period of five years with effect from 19th July 2019."
7. To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and upon recommendation of Nomination and Remuneration Committee and Board of Directors, Mr. Suman Bhowmik (holding DIN 0008514585) be and is hereby appointed a Director of the Company with immediate effect and as an Independent Director of the Company for a consecutive period of five years with effect from 19th July 2019."
8. To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) for the time being in force, read with Schedule V to the Act and pursuant to provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the approval of the Company be and is hereby accorded to the payment of remuneration to Mr. Aditya Khaitan, the details of which are given in the Explanatory Statement pursuant to Section 102 of the Act attached to this Notice, during the tenure of his appointment as the Managing Director of the Company for a period of three years with effect from 1st April, 2017 and that the

same shall be paid to him as minimum remuneration in the event the Company has no profit or inadequate profit in any financial year during the tenure of his appointment.”

9. To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013 (‘the Act’), read with the applicable provisions of Schedule V to the Act, Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other statutory provisions as may be applicable, approval of the Members be and is hereby accorded to the Board of Directors of the Company to waive the recovery of excess remuneration amounting to Rs. 2,66,39,944 paid to Mr. Aditya Khaitan as the Managing Director of the Company during the financial year ended 31st March, 2017, over and above the limit prescribed under the provisions of Schedule V to the Act and the Managerial Remuneration paid to Mr. A. Khaitan, Managing Director, during the financial year ended 31st March, 2017 be and is hereby approved.

**FURTHER RESOLVED THAT** the Board of Directors, Nomination & Remuneration Committee of the Board and the Company Secretary of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution.”

10. To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium, provided that the total outstanding amount so borrowed in excess of the aggregate of the paid-up capital of the Company, its free reserves and securities premium, shall not at any time exceed the limit by Rs. 1000 Crores (both funded and non-funded) at any one point of time i.e. Rs. 1000 crore over and above the limit available to the Company under the said section of the Act.

**RESOLVED FURTHER THAT** the authority be and is hereby granted to issue short term and long term debt instruments of the Company, including by way of issue of Debentures or such other instruments like commercial papers etc. in one or more tranches, such that the total outstanding borrowing by way of issue of such instruments outstanding at any one point of time shall not exceed the aforesaid limit.

**RESOLVED FURTHER THAT** the Company do ratify all the loans or any other debt, already taken by the Board of Directors pursuant to section 180(1)(c) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts deeds and things as may be necessary in this regard including but not limited to the delegation of powers to any director or committee of directors or any others person as it may deem fit subject to the provision of the Companies Act, 2013.”

11. To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to provision of Section 186 and other applicable provision, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee which the

Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to make / give loans / any other form of debt from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate or give on behalf of any person, body corporate, any guarantee, or provide security in connection with a loan/ any other form of debt made by any other person to, or to any other person by any body corporate and acquire by way of subscription, purchase or otherwise the securities of any other body corporate, whether in India or overseas, in excess of the limits prescribed under Section 186 of the Act by Rs. 1900 crore i.e. Rs. 1900 crore over and above the limit available to the Company under the said section of the Act.

**RESOLVED FURTHER THAT** the Company do ratify all the loan, guarantee, security and acquisition by way of subscription, purchase or otherwise the securities of any other body(ies) Corporate(s) / person(s) in or outside India, already made by the Board of Directors pursuant to section 372A of the Companies Act, 1956 and section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to take from time to time all decisions and steps in respect of the above loans, guarantees, securities and investment(s) including the timing, amount and other terms and conditions of such loans, guarantees, securities and investment(s) and varying the same either in part or in full as it may deem appropriate and to do and perform all such acts deeds and things as may be necessary in this regard including but not limited to the delegation of powers to any director or committee of directors or any other person as it may deem fit subject to the provision of the Companies Act, 2013.”

12. To consider and if thought fit to pass the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in terms of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors namely, Messrs. Mani & Co, Messrs. SPK Associates and Messrs. DGM & Associates appointed by the Board of Directors of the Company for conducting Audit of Cost Accounting records maintained by the Company as applicable, for the year ending 31st March, 2020 the details of which are given in the Statement in respect of this item of business annexed to the Notice convening this Meeting, be and is hereby ratified.”

By Order of the Board

MCLEOD RUSSEL INDIA LIMITED

DEBANJAN SARKAR  
Company Secretary

Kolkata, 19th July 2019

#### NOTES

- a) A Member entitled to attend and vote at the Annual General Meeting (AGM) may appoint a Proxy to attend and vote thereat instead of himself. A Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Company’s Registered Office situated at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700001 not less than forty-eight hours before the Meeting.

In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies shall be made available for inspection during twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

- b) The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Items of Special Business is annexed hereto.
- c) The information as required to be provided in terms of Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') and Secretarial Standards - 2 regarding the Directors who are proposed to be appointed is annexed.
- d) The Register of Members and Share Transfer Books of the Company will remain closed from 3rd September, 2019 to 9th September, 2019 (both days inclusive).
- e) Members who are holding shares in physical form are requested to notify change in address, if any, to the Company's Share Transfer Agent quoting their Folio Number. Shareholders holding shares in dematerialised form, should intimate change of their addresses, if any, to their Depository Participants.
- f) The company has transferred the unpaid or unclaimed dividends declared up to financial years 2010-11, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 9th August, 2018 (date of last Annual General Meeting) on the website of the Company [www.mcleodrussel.com](http://www.mcleodrussel.com). The Members of the Company who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2012 and onwards as applicable, are requested to contact the Company forthwith. Shares on which dividend remains unclaimed for seven consecutive years will be transferred to IEPF in terms of Section 124 of the Companies Act, 2013 and the applicable Rules made thereunder.
- g) The Securities and Exchange Board of India (SEBI) has mandated by its Circular dated 20th April 2018 for submission of Permanent Account Number (PAN) and Bank details together with an original cancelled cheque leaf/attested Bank Pass Book showing the name of Account Holder to the Registrar and Share Transfer Agent (RTA) of the Company by all the security holders holding securities in physical form. The shareholders who are yet to furnish the above documents are requested to furnish the same forthwith.
- h) SEBI has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by its notification dated 8th June, 2018 providing that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed. In view of the above, the Shareholders holding shares of the Company in physical mode are requested to get their shares dematerialized at an early date.
- i) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- j) A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his queries to the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.
- k) Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. The facility for making/varying/cancelling nomination is available to individuals holding shares in the Company. Nominations can be made in Form SH-13 and any variation/cancellation thereof can be made by giving notice in Form SH-14, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the Company/RTA or from the Website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

**l) Instructions on voting:**

In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Listing Regulation, the Company has provided a facility to the Members to exercise their votes electronically (remote e-voting) through electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). The facility for voting, through ballot paper, will also be made available at the AGM and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are given in a separate sheet attached hereto forming part of the Notice.

- m) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. 2nd September, 2019. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and is holding shares as on the cut-off date i.e. 2nd September 2019, may obtain the login ID and password by sending a request at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com); [info@mdpl.in](mailto:info@mdpl.in) or [skchaubey@mdpl.in](mailto:skchaubey@mdpl.in).
- n) The Notice of the 21st AGM and instructions for e-voting, along with the Attendance slip and Proxy form, is being sent by electronic mode to all Members whose email addresses are registered with the Company / Depository Participant(s), unless a Member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
- o) Members may also note that the Notice of the 21st AGM and the Annual Report 2018-19 will be available on the Company's website, [www.mcleodrussel.com](http://www.mcleodrussel.com). Relevant documents referred to in the Notice and the Explanatory Statements and Relevant Registers maintained under the Act shall be open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 10 a.m. to 1 p.m. upto 8th September, 2019 and shall be available for inspection at the meeting. Route map to the venue of AGM forms part of the Notice.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013. Item No. 3 & 4**

The Members of the Company at the Annual General Meeting (AGM) held on 9th August 2017, had approved of the appointment of M/s. Deloitte Haskins & Sells LLP (Deloitte) (Firm Registration No. 117366W/W-100018) as the Auditors of the Company to hold office from the conclusion of 19th AGM till the conclusion of 24th AGM of the Company. Vide its letter dated July 18, 2019, Deloitte has resigned as Auditors of the Company, which resulted into a casual vacancy in the office of the Auditors of the Company.

In terms of Section 139(8) of the Companies Act, 2013 (the Act), the Board of Directors of the Company, (the Board), on the recommendation of the Audit Committee of the Board, resolved to fill the casual vacancy caused by the resignation of Deloitte with the appointment of M/s. Lodha & Co., Chartered Accountants, (Firms Registration No. 301051E), as Auditors of the Company, to hold office, with effect from 19th July, 2019 till the conclusion of this 21st AGM at such remuneration, as may be fixed by the Board, subject to the approval of the Members.

The outgoing auditors of the Company being Deloitte Haskins & Sells LLP has been paid audit fee of Rs. 63 Lakhs for conducting statutory audit for the financial year ended 31st March, 2019. The proposed fee payable to M/s. Lodha & Co. shall be fixed by the Board of Directors of the Company. There may be material change in the fee payable to M/s. Lodha & Co. from that paid to the outgoing auditor mainly due to reduction in size and operations of the Company.

M/s. Lodha & Co. was founded in 1941 and the firm has 15 Partners supported by experienced professionals providing services in the various fields including Statutory Audit, Risk and Management Advisory, Taxation and other Corporate Advisory. The Head Office is located at

Kolkata and branches are in Mumbai, Delhi, Hyderabad, Chennai and Jaipur. It has presence in all major Business Groups, Banks and various Government and Non-Government Organizations in India. They have experience of working with several multi-national Companies, listed entities and Companies with multiple products and services.

The Company has received the consent letter and eligibility certificate from M/s. Lodha & Co. Chartered Accountants, (Firms Registration No. 301051E), to act as Auditors of the Company in place of Deloitte along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. The Resolution set out in Item No. 3 is accordingly proposed to be passed by way of an Ordinary Resolution and the Board recommends the same for approval of the Members.

On the recommendation of the Audit Committee of the Board, the Board of Directors of the Company, (the Board) resolved to recommend the appointment of M/s. Lodha & Co., Chartered Accountants, (Firms Registration No. 301051E), as Auditors of the Company to hold office for a period of five consecutive years, from the conclusion of this 21st AGM, till the conclusion of the 26th AGM of the Company at such remuneration as may be fixed by the Board.

The Company has received the consent letter and eligibility certificate from M/s. Lodha & Co. Chartered Accountants, (Firms Registration No. 301051E), to act as Auditors of the Company in place of Deloitte along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. The Resolution set out in Item No. 4 is accordingly proposed to be passed by way of an Ordinary Resolution and the Board recommends the same for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item Nos. 3 and 4.

#### Item Nos. 5, 6 & 7

The Board at its Meeting held on 30th May, 2019 appointed Mrs. Arundhuti Dhar as an Additional Director of the Company in terms of Section 161 of Companies Act, 2013 ('the Act') read with Article 120 of the Articles of Association of the Company. According to the provisions of the said Section Mrs. Dhar will hold office up to the date of the forthcoming Annual General Meeting. At the same Meeting the Board appointed her as an Independent Director of the Company for a consecutive period of five years with effect from 30th May, 2019 subject to the approval of the Members of the Company. Her appointment as a Director and an Independent Director at the forthcoming Annual General Meeting is to be considered accordingly. Further, the Board at its Meeting held on 19th July, 2019 appointed Mr. Raj Vardhan and Mr. Suman Bhowmik as Additional Directors of the Company in terms of Section 161 of Companies Act, 2013 ('the Act') read with Article 120 of the Articles of Association of the Company. According to the provisions of the said Section Mr. Vardhan and Mr. Bhowmik will hold office up to the date of the forthcoming Annual General Meeting. At the same Meeting the Board appointed Mr. Vardhan and Mr. Bhowmik as Independent Directors of the Company for a consecutive period of five years with effect from 19th July, 2019 respectively, subject to the approval of the Members of the Company. The respective appointment of Mr. Vardhan and Mr. Bhowmik as Directors and Independent Directors at the forthcoming Annual General Meeting is to be considered accordingly.

The Company has received notices in terms of Section 160 of the Act from certain Members of the Company proposing the appointment of Mrs. Dhar, Mr. Vardhan and Mr. Bhowmik as Directors of the Company. In terms of Section 152 of the Act Mrs. Dhar, Mr. Vardhan and Mr. Bhowmik have furnished respective declarations to the effect that they are not disqualified to become Directors under the Act and also, consented to act as Directors of the Company, if appointed. The Company has also received respective declarations from them in terms of Section 149(7) of the Act to the effect that they fulfil the criteria of independence as provided in Section 149(6) of the Act.

Mrs. Arundhuti Dhar has experience in diverse sectors such as Banking, Trade Finance, Retail Banking, Infrastructure, and Property Management in organisations such as American Express Bank, HDFC

Bank & IL&FS Property Management & Services Pvt. Ltd., over the last 20 years. Having regard to her qualification, experience and positive attributes, the Nomination and Remuneration Committee recommended her appointment as a Director as well as an Independent Director of the Company.

Mr. Raj Vardhan is an MBA in Marketing & Finance from Birla Institute of Technology and also pursued Executive Education in Strategy & Leadership from Indian School of Business. Mr. Vardhan has also completed advanced management program from Harvard Business School. Mr. Vardhan's experiences include exposure to multiple parts of the agri-value chain, commercial & dairy farming, origination of multiple products, primary & midstream processing, local sales & distribution. Mr. Vardhan's role included oversight over operational managers as well as functional head. Having regard to his qualification, experience and positive attributes, the Nomination and Remuneration Committee recommended his appointment as a Director as well as an Independent Director of the Company.

Mr. Suman Bhowmik is a honours graduate in Economics and Masters in Business Administration (specialization in Marketing) and a Diploma in Public Relations. He has over three decades of experience of working in the corporate and development sectors. His corporate exposure covers a wide range of industries including publishing, advertising, market research, financial services, engineering & conglomerates in functional areas as varied as sales, branch / project start-up, general administration & personnel, customer care, credit control, marketing support, special projects, brand management, strategic planning, CSR, training & corporate communications (including public relations). Having regard to his qualification, experience and positive attributes, the Nomination and Remuneration Committee recommended his appointment as a Director as well as an Independent Director of the Company.

Mrs. Dhar, Mr. Vardhan and Mr. Bhowmik have no inter-se relation with any Director of the Company. Mrs. Dhar, Mr. Vardhan and Mr. Bhowmik have disclosed that they presently do not hold any Equity Share in the Company.

The resolutions set out in item Nos. 5, 6 and 7 of the convening Notice are to be considered accordingly and having regard to the qualification, knowledge, experience and expertise, Mrs. Dhar, Mr. Vardhan and Mr. Bhowmik's appointment as Independent Directors, will be in the interest of the Company and the Board recommends their appointment as Independent Directors for the approval of the members.

Mrs. Arundhuti Dhar, Mr. Raj Vardhan and Mr. Suman Bhowmik and their relatives may be considered to be interested in the respective resolution in so far as they relate to them individually. No Director or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in respect of the said resolutions.

#### Item No. 8

Mr. Aditya Khaitan was re-appointed as the Managing Director of the Company for a period of 3 years w.e.f. 1st April 2017 at a remuneration approved by the Members by way of passing a Special Resolution at the Nineteenth Annual General Meeting of the Company held on 9th August 2017.

The Company in anticipation of having inadequacy of profits made an application to the Ministry of Corporate Affairs (MCA) for approval of the remuneration payable to the Managing Director during the 3 years of his term commencing from 1st April 2017 which was pending with the MCA. Before the approval was received from the MCA, a new sub-section (17) was inserted in Section 197 of the Companies Act 2013 by the Companies (Amendment) Act, 2017 which was made effective from 12th September 2018, being the date when the said sub-section was notified.

In terms of the said sub-section (17) of Section 197, any application made to the Central Government under the provisions of the said section which is pending with the Government shall abate and the Company shall within one year of such abatement obtain the approval in accordance with the provisions of the said Section, as amended.

In view of the above, the application which was pending with the Central Government had abated and it is now necessary to obtain approval of the Members afresh by way of a Special Resolution approving the remuneration payable to Mr. Aditya Khaitan during his tenure of office for three years commencing from 1st April 2017. The details of the remuneration are given below:

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Period               | Three years with effect from 1st April, 2017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Remuneration         | Salary: Rs. 15,00,000 per month with such revision as the Board may approve from time to time in the salary grade of Rs. 12,50,000 to Rs. 20,00,000<br>Bonus: An amount not exceeding six months' salary in a year as may be approved by the Board based on the performance of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Variable Allowances  | Variable Allowance of Rs. 1,00,000/- per month with such revision as the Board may approve based on performance of the Company from time to time, within the scale of Rs. 1,00,000 to Rs. 2,00,000 Lakhs per month. In addition, he will be paid other allowance of Rs. 4,00,000/- per month with such revision as may be approved by the Board from time to time based on the performance of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Perquisites:         | Housing: Free furnished accommodation will be provided by the Company. In case no accommodation is provided, he will be paid House Rent Allowance at the rate of 60% of his salary. Gas, electricity, water, etc. and telephone at residence will be borne by the Company in accordance with the Rules of the Company. Cost of personal long distance calls, however will be borne by him.<br>Car: Company car with driver under the Company's Scheme applicable for senior executive staff of the Company.<br>Medical: Reimbursement for self and family at actuals, including cost of medical insurance.<br>Leave Travel Concession: For self and family as per applicable Rules of the Company<br>Leave Encashment: As per applicable Rules of the Company<br>Club Fees: Reimbursement of Club Subscription / Fees as per applicable Rules of the Company<br>Others: Personal Accident Insurance and other perquisites, which are applicable to senior executive staff of the Company, shall also apply to him. |
| Retiral Benefits     | Contributions to the Provident Fund, Superannuation / Pension Fund and /or Annuity Fund in accordance with the Rules and Regulations governing the said funds. Gratuity will be payable in accordance with the Rules of the Company and subject to the provisions of Payment of Gratuity Act, 1972 and Rules made thereunder.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Minimum Remuneration | In the event of loss or inadequacy of profits in any year during the tenure of his office, he shall be paid the remuneration as above as minimum remuneration subject to compliance with the legal provisions as may be applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

As the Company was not doing well operationally, Mr. Aditya Khaitan did not draw bonus for the year 2017-18 and also decided not to draw bonus for 2018-19 and also to forego the Special Allowance of Rs.4.00 lakhs per month from November, 2018. Accordingly, the effective remuneration of the Managing Director will be considerably lower than what he is entitled to under the terms of his appointment.

In view of the above, in terms of Section 197(12) of the Companies Act, the Board recommends and proposes item No. 8 of the convening Notice as a Special Resolution for approval of the members to enable the Company to pay remuneration to Mr. Aditya Khaitan in excess of the limits prescribed under Schedule V to the Companies Act, 2013 which was already approved by the Members. The detailed particulars pursuant to item iv of Second Proviso to clause (B) of Section II, Part II of Schedule V to the Companies Act, 2013 are given separately in the Notice.

Mr. A. Khaitan, himself and his relatives, are concerned or interested in the resolution under Item No. 8 of the convening Notice. No other Director, Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in respect of the said resolution.

#### Item No. 9

Mr. Aditya Khaitan was re-appointed as the Managing Director of the Company for a period of 3 years with effect from 1st April, 2014 at a remuneration approved by the Members of the Company by passing an Ordinary Resolution.

In view of inadequacy of profits for the financial year 2016-17, the Company made an application to the Ministry of Corporate Affairs (MCA) for approving waiver of excess remuneration paid to Mr. Aditya Khaitan, Managing Director of the Company.

In relation to the said application, MCA had asked the Company to submit certified copy of a Special Resolution passed by the Members. Accordingly, the Company had approached the Members for passing a Special Resolution approving waiver of the excess remuneration of Rs. 2,66,39,944/- paid to the Managing Director during the financial

year 2016-17. The said Special resolution was passed by the Members at the Nineteenth Annual General Meeting held on 9th August 2017. In terms of Section 197 of the Companies Act, 2013 read with Schedule V to the Act, the remuneration to which the Managing Director is entitled to, becomes double the normal entitlement approved by ordinary resolution. In view of this, the amount to which Mr. A. Khaitan became entitled to was increased to Rs. 250.49 lakhs. A certified copy of the Special Resolution was furnished to MCA for its consideration. MCA however issued a letter dated 15th May 2018, approving a remuneration of only Rs. 1,33,88,100 which is little above his entitlement under Ordinary Resolution. It seems that the approval of the remuneration and waiver of the excess remuneration by the Members by way of a Special Resolution might have escaped the notice of the MCA. In view of this the Company made a representation before the MCA to reconsider the matter as the Managing Director was entitled to receive higher remuneration as the same was approved by the Members by way of a Special Resolution. Before any response was received from the Government, a new sub-section (17) which was inserted in Section 197 of the Companies Act, 2013 by the Companies (Amendment) Act 2017, was made effective, with effect from 12th September 2018 being the date when the said sub-section was notified.

In terms of the said sub-section (17) of Section 197, any application made to the Central Government under the provisions of the said section which is pending with the Government shall abate and the Company shall within one year of such abatement obtain the approval in accordance with the provisions of the said Section, as amended.

In view of the above, the application/representation which was pending with the Central Government had abated and it is now necessary to obtain approval of the Members afresh by way of a Special Resolution approving the remuneration paid to Mr. Aditya Khaitan during the Financial Year 2016-17. The details of the remuneration are given herein below. The Members are requested to consider the same resolution which they had passed earlier by way of Special Resolution at the 19th Annual General Meeting of the Company held on 9th August 2017.

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salary               | Rs. 15,00,000/- per month with such revision as the Board may approve from time to time in the salary grade of Rs. 12,50,000/- to Rs. 20,00,000/-.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Bonus                | Equivalent to six months' salary in a year (which Mr. Khaitan did not draw).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Allowances           | A special allowance of Rs. 1,00,000/- per month with such revision as the Board may approve from time to time in the scale of Rs. 1,00,000 – 2,00,000/- per month. In addition, the Managing Director will be paid other allowance of Rs. 4,00,000/- per month with such revision as may be approved by the Board from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Perquisites:         | Housing: Free furnished accommodation will be provided by the Company. In case no accommodation is provided, the Managing Director will be paid House Rent Allowance at the rate of 60% of salary. Gas, electricity, water etc. and telephone at residence will be borne by the Company in accordance with the Rules of the Company. Cost of personal long distance calls, however, will be borne by the Director.<br>Car: Company car with driver under the Company's Scheme applicable for senior executive staff of the Company<br>Medical: Reimbursement for self and family at actuals, including cost of medical insurance.<br>Leave Travel Concession: For self and family as per applicable Rules of the Company<br>Leave Encashment: As per applicable Rules of the Company<br>Club Fees: Reimbursement of Club Fees as per applicable Rules of the Company.<br>Others: Personal Accident Insurance and other perquisites, which are applicable to senior executive staff of the Company, shall also apply to the Managing Director. |
| Retiral Benefits     | Contributions to the Company's Provident Fund and Superannuation Fund and/or Annuity Fund in accordance with the Rules and Regulations governing the said funds. Gratuity will be payable in accordance with the Rules of the Company and such Gratuity shall not exceed half a month's salary for each completed year of service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Minimum Remuneration | In the event of loss or inadequacy of profits in any financial year during the tenure of his office, the above remuneration payable to Mr. A. Khaitan, will be treated as his minimum remuneration subject to compliance with the legal provisions as may be applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

Accordingly a Special Resolution has been set out in Item No. 9 in the Notice convening the 21st Annual General Meeting of the Company and the Board recommends the same for approval of the Members.

Mr. A. Khaitan, himself and his relatives, are concerned or interested in the resolution under Item No. 9 of the convening Notice. No other Director, Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in respect of the said resolution.

#### Item No. 10

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013 the Board of Directors of the Company cannot borrow money along with the money already borrowed by the Company, except the temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the paid-up capital, free reserves and securities premium of the Company without approval of members of the Company by way of Special Resolution.

The Company is in the process of restructuring its debt and discussing with the Bankers to refinance its existing debt structure. The Company is endeavouring to convert its short term debts into long term debts and extend the maturities as well as interest payment schedules.

The short term and working capital credit facilities availed by the Company from the Bankers in the ordinary course of business of the Company are excluded for the purpose of computing the limit available under section 180(1)(c) of the Companies Act, 2013. However, the conversion of short term debts into long term debt consequent upon implementation of debt refinancing / restructuring proposal with the bankers, the Company would need to exceed the limit under Section 180(1)(c) of the Companies Act, 2013. Considering the refinancing proposal with the bankers and in order to facilitate conversion of short term borrowings into long term borrowing in terms of any arrangement with the Bankers of the Company the Company would require to borrow in excess of the limits prescribed under section 180(1)(c) of the Companies Act, 2013. Hence, the Board of Directors recommends the resolution set out in Item No. 10 of the convening notice for approval of the shareholders by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in respect of the said resolution.

#### Item No. 11

The Company is engaged in the business of growing and manufacture of tea in the states of Assam and West Bengal. In line with its plan to expand its business activities, the Company had given Capital Advances to two Corporate bodies for acquisition of appropriate parcels of land at certain places intended to be used for the purpose of expansion of business. A time frame was agreed between the parties for procurement of land. Since the said companies could not identify and procure the desired land within the time frame, the Company had called back the advances given to them. A part of the advance given to the said parties was refunded while the balance was outstanding at the year end. The Board of Directors of the Company thought it prudent to convert the amount outstanding as on 31st March 2019 into interest bearing Inter Corporate Loans.

In terms of section 186 of the Companies Act 2013, no Company can give any loan to any person or other body Corporate, give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid up share capital, free reserves and securities premium or 100% of its free reserves and securities premium whichever is more. Approval of the Shareholders by way of Special Resolution is necessary for lending, investing or providing guarantees or securities beyond the aforesaid limit.

Prior to 31st March 2019, the aggregate of investments made, guarantees given and securities provided by the Company was within the limit prescribed under section 186 of the Companies Act, 2013. However, on account of conversion of advances aggregating to Rs. 775.75 Crores on 31st March 2019 into Inter Corporate Deposits, the said limit was exceeded. With a view to regularise the position, the Company seeks the approval of the Shareholders by way of a Special Resolution for enhancement of the limit under section 186.

The Company consistently explores various opportunities for expansion of business and growth. In the past, the Company has ceased domestic and international business opportunities through acquisitions of business entities. The Company has long term strategic vision for future business expansion and growth. Hence, in order to explore various growth opportunities, acquisition proposals and

achieve strategic business interests, the Company seeks the approval of the members pursuant to the provisions of Section 186 of the Companies Act, 2013 authorising the Board of Directors or any duly constituted committee thereof, for making investment(s), providing loan(s), or giving guarantee(s) or providing securities in connection with loans to any body corporate(s) or person or to acquire securities of any body corporate or invest funds of the Company in inter-corporate investments, whether in India or overseas, in excess of the limits prescribed under Section 186 of the Act up to a sum of Rs. 1900 crores i.e. Rs. 1900 crores over and above the limit available to the Company under Section 186 of the Act.

Accordingly, the Special Resolution in item No. 11 has been proposed and the Board recommends the same for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except to the extent of their directorships and shareholding in the body corporate(s) in which investments may be made or loans / guarantees may be given or securities may be provided pursuant to this Special Resolution.

#### Item No. 12

The Company being engaged in tea plantation and manufacturing activities, is required to appoint Cost Auditor/s to audit its cost accounting records in respect of plantation products in accordance with Section 148 of the Companies Act, 2013 ('the Act') read with Companies (Cost Records and Audit) Rules, 2014 as amended ('the Rule'). In terms of Section 148 of the Act read with Rule 6 of the Rule, the Board of Directors of the Company at its Meeting held on 30th May 2019 appointed Messrs Mani & Company, Messrs. SPK Associates and Messrs DGM & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year ending on 31st March 2020 on the recommendation of the Audit Committee of the Board ('the Audit Committee'). The Board has also designated Messrs. Mani & Company as the Lead Cost Auditor. The Board, in terms of the Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, approved the remuneration of the Cost Auditors as recommended by the Audit Committee, which is subject to ratification by the Members of the Company.

The remuneration fixed by the Board is as under:

| Cost Auditors           | Remuneration                                                                                       |
|-------------------------|----------------------------------------------------------------------------------------------------|
| Messrs. Mani & Company  | Rs. 90,000/- for auditing the records of 10 Tea Estates and Rs. 35,000/- being the lead audit fee. |
| Messrs. SPK Associates  | Rs. 99,000/- for auditing the records of 11 Tea Estates                                            |
| Messrs DGM & Associates | Rs. 1,08,000/- for auditing the records of 12 Tea Estates                                          |

In addition to above, the Cost Auditors will be reimbursed out of pocket expenses as may be incurred by them on actual basis.

The Resolution set out in Item No. 12 of the convening Notice is to be considered accordingly and the Board recommends the same.

No Director or any Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said Resolution.

## Detailed particulars in respect of the Company and the Managerial Personnel in relation to Resolution Nos. 8 and 9

### I. GENERAL INFORMATION

1. **Nature of Industry :** India is a major producer of black tea in the world. The quantity of black tea produced by India annually is in the region of 1338 million kgs out of the global black tea production of 3150 million kgs (approx.).

The Company is engaged in growing, manufacturing and selling of tea. The Company is one of the major producer of black tea in India and one of the major manufacturers of black tea globally. The Company is also a major Foreign Exchange earner in the tea industry. The Company has 31 Tea Estates with manufacturing facilities in Assam and 2 Tea Estates in Dooars, West Bengal. The Company produces around 718 lakh kgs of tea per year. The Company has 4 subsidiaries in U.K., Vietnam, Uganda, Kenya and Dubai.

2. **Date of commencement of Commercial production :**

The bulk tea division of Eveready Industries India Limited was transferred to and vested in the Company with effect from 1st April, 2004 pursuant to the order of The Hon'ble High Court at Calcutta approving a Scheme of Arrangement between Eveready Industries India Limited and the Company. The Scheme became effective on filing of the Court Order with the Register of Companies on 24th February, 2005. In view of the above 1st April, 2004 can be considered to be the date of commencement of commercial production.

3. **Financial Performance based on given Indicators :**

(Rs. in Lakhs)

| Particulars                                        | 2016-17 (as per Ind AS) | 2017-18 (as per Ind AS) | 2018-19 (as per Ind AS) |
|----------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Revenue from Operations                            | 1,48,540                | 159633                  | 130992                  |
| Profit before tax                                  | 499                     | 8323                    | Nil                     |
| Profit after tax                                   | 3,053                   | 6726                    | (442)                   |
| Share Capital                                      | 5,472.79                | 5,472.79                | 5,472.79                |
| Reserves & Surplus (excluding Revaluation Reserve) | 1,34,326                | 1,41,752                | 1,29,737                |

4. **Foreign Investors or Collaborations, if any :**

The Company has not entered into any foreign collaboration. As per the shareholding pattern as on 31st March, 2019, Foreign Investors held 42045734 equity shares in the Company representing 40.2522% of its paid up capital.

### II. INFORMATION ABOUT THE MANAGERIAL PERSONNEL :

#### MR. A. KHAITAN

1. **Background Details :**

Mr. Khaitan hails from a renowned family of industrialists, having interest in diverse business activities. Mr. Khaitan has in-depth exposure to and involvement in steering diverse business and has gained considerable experience and expertise in management, production, marketing, corporate finance and other related areas of tea industry and also in the matter of restructuring, mergers, demergers and acquisitions of corporate entities.

## 2. Past Remuneration :

| Particulars                       | 2015-16 (Rs.)        | 2016-17 (Rs.)      | 2017-18 (Rs.)      |
|-----------------------------------|----------------------|--------------------|--------------------|
| Salary                            | 1,80,00,000          | 1,80,00,000        | 1,80,00,000        |
| Perquisite                        | 28,800               | 28,800             | 28,800             |
| Commission, bonus and allowances* | 2,68,00,000          | 1,68,00,000        | 1,68,00,000        |
| Others including retiral benefits | 48,60,000            | 48,60,000          | 48,60,000          |
| <b>TOTAL</b>                      | <b>4,96,88,800**</b> | <b>3,96,88,800</b> | <b>3,96,88,800</b> |

\* Mr. A. Khaitan did not draw any bonus to the tune of Rs. 90 lakhs during the financial year 2016-17 and 2017-18.

\*\* The excess remuneration paid to the Managing Director during the financial year 2015-16, was refunded by him pursuant to the order of the Central Government.

## 3. Recognition and Awards :

Mr. Khaitan was the Chairman of The Indian Tea Association for 3 consecutive years upto 2009-10. He was a Committee Member of Indian Chamber of Commerce and was a Member of the Tea Board.

## 4. Job Profile and Suitability :

Mr. A. Khaitan is the Managing Director of the Company since 2005. Under his leadership the Company achieved substantial growth in terms of production, sales and profitability. He was instrumental in acquiring high quality Tea Plantations in Vietnam, Uganda and Rwanda, through the wholly owned subsidiary of the Company. Considering his qualification, in-depth experience in tea industry and achievements, he may be considered as the most suitable person for his position.

## 5. Remuneration Proposed

It is proposed to pay remuneration on his re-appointment for a fresh term which has variable components, the details of which have been given in the explanatory statement as above. The proposed remuneration package is same as his earlier term of appointment, viz. no increase has been proposed.

## 6. Comparative Remuneration Profile with respect to industry, size of the Company, Profile of the position and person :

McLeod Russel India Limited is the largest tea producing Company in India. There is no other Company in the Country in tea industry which can be compared with McLeod Russel India Limited in terms of size and operations. The remuneration proposed is considered to be justified and competitive considering the industry, size of the Company, the responsibilities undertaken and the credentials of the Managing Director.

## 7. Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any :

Except the remuneration and perquisites stated above, Mr. A. Khaitan holds 17272 equity shares of Rs. 5/- each in the Company and besides his relation with Mr. B. M. Khaitan, Chairman Emeritus of the Company, he has no other direct or indirect pecuniary relationship with the Company.

## III. OTHER INFORMATION

### 1. Reasons of Loss or Inadequate Profits :

The Company is engaged in the business of tea plantation

and manufacturing activities. During the Financial year 2018-19, the Company made a saleable production of 718 Lakh Kgs tea as compared to 888 Lakh Kgs in the previous year. Inconsistent weather and poor distribution of rainfall through the year contributed towards a poorer cropping pattern. The profit was under pressure primarily on account of unfavourable selling price which was lower compared to the previous year. The price of tea was down on account of weak economic conditions in some of the tea consuming nations which had affected Company's exports. During the year, there were substantial increase in employee costs on account of higher wages and ancillary benefits given to the workers in terms of industry wide agreement with the Workers' Union, increase in cost of cereals etc. The costs also increased on account of rise in prices of various other input and increased cost of borrowings. During the financial years 2016-17 and 2017-18, the profit was under pressure mainly due to inclement weather, unfavourable prices, increase in price of inputs and higher wages.

The profit of the Company became inadequate or the Company incurred loss in terms of Section 197 read with Schedule V to the Companies Act, 2013, in respect of the years 2016-17, 2017-18 and 2018-19 on account of the aforesaid reasons.

### 2. Steps taken or proposed to be taken for Improvement :

The Company has taken initiatives to mechanize some field operations, namely introduction of Plucking Machines, Plucking Shears and Pruning Machines. Considerable work on upgrading of existing irrigation equipment has been undertaken and additional sets provided. Most estates are now adequately equipped and more projects will continue over the next few years as irrigation has now become critical with changing weather patterns and prolonged dry winters. All estates are now strictly following the Tea Boards "Plant Protection Code" with a restricted choice of chemicals for effective pest management. Efforts to control pest infestation were largely successful. The Company is exploring new markets and engaging different marketing strategies so as to get better sales realisation in future. The Company has also been continuously striving for quality improvement and product development for fetching better prices. With all these efforts, the Company is hopeful to achieve better results in the current as well as in the coming years. The Company is optimising its expenses and discussing with the lenders to restructure/refinance its existing borrowings.

### 3. Expected Increase in Productivity and Profitability in measurable terms :

The Company being engaged in the plantation sector which largely depends in the vagaries of nature, it is very difficult to measure productivity and profitability beforehand. However, in view of favourable weather conditions and the various steps taken for extension in irrigation activities, growth in productivity and improvement of quality, the Company is expected to perform better in terms of production, price realization and profitability in the years to come.

**DETAILS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED**

|                                                                                                                  |                                                                                                                                                                                                                                                                        |                                                  |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Name                                                                                                             | Mrs. Arundhuti Dhar                                                                                                                                                                                                                                                    |                                                  |
| Date of Birth                                                                                                    | 21st June, 1973                                                                                                                                                                                                                                                        |                                                  |
| Qualification                                                                                                    | Mrs. Arundhuti Dhar has graduated from St. Xavier's College, Kolkata & has completed Residential Courses from Indian Institute of Management, Calcutta, Joka in Marketing, Sales and Finance.                                                                          |                                                  |
| Expertise                                                                                                        | Mrs. Dhar has experience in diverse sectors such as Banking, Trade Finance, Retail Banking, Infrastructure and Property Management in organisations such as American Express Bank, HDFC Bank & IL&FS Property Management & Services Pvt. Ltd., over the last 20 years. |                                                  |
| Date of first appointment on the Board                                                                           | 30th May, 2019                                                                                                                                                                                                                                                         |                                                  |
| Number of Board Meetings attended                                                                                | 2                                                                                                                                                                                                                                                                      |                                                  |
| Relationship with other Directors/KMP of the Company                                                             | Nil                                                                                                                                                                                                                                                                    |                                                  |
| Other Directorships, Membership/Chairmanship of Committees of other Boards of Indian Companies (as at 31.3.2019) | <b>Directorship</b>                                                                                                                                                                                                                                                    | <b>Committee Membership if any with position</b> |
|                                                                                                                  | <b>Listed Companies:</b>                                                                                                                                                                                                                                               |                                                  |
|                                                                                                                  | WILLIAMSON MAGOR & CO.LTD.                                                                                                                                                                                                                                             | Nil                                              |
|                                                                                                                  | EVEREADY INDUSTRIES INDIA LTD                                                                                                                                                                                                                                          | Nil                                              |
|                                                                                                                  | MCNALLY BHARAT ENGG CO LTD                                                                                                                                                                                                                                             | Nil                                              |
| Shareholding in the Company                                                                                      | Nil                                                                                                                                                                                                                                                                    |                                                  |

|                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Name                                                                                                             | Mr. Suman Bhowmik                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
| Date of Birth                                                                                                    | 20th February, 1963                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
| Qualification                                                                                                    | Mr. Suman Bhowmik is a honours graduate in Economics and Masters in Business Administration (specialization in Marketing) and a Diploma in Public Relations                                                                                                                                                                                                                                                                                                                                                                                                                           |  |
| Expertise                                                                                                        | Mr. Bhowmik has over three decades of experience of working in the corporate and development sectors and with the fourth estate. His corporate exposure covers a wide range of industries including publishing, advertising, market research, financial services, engineering & conglomerates in functional areas as varied as sales, branch / project start-up, general administration & personnel, customer care, credit control, marketing support, special projects, brand management, strategic planning, CSR, training & corporate communications (including public relations). |  |
| Date of first appointment on the Board                                                                           | 19th July, 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| Number of Board Meetings attended                                                                                | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
| Relationship with other Directors/KMP of the Company                                                             | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
| Other Directorships, Membership/Chairmanship of Committees of other Boards of Indian Companies (as at 31.3.2019) | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
| Shareholding in the Company                                                                                      | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |

|                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                       |  |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Name                                                                                                             | Mr. Raj Vardhan                                                                                                                                                                                                                                                                                                                                       |  |
| Date of Birth                                                                                                    | 04th August, 1965                                                                                                                                                                                                                                                                                                                                     |  |
| Qualification                                                                                                    | Mr. Vardhan has MBA in Marketing & Finance from Birla Institute of Technology and also pursued Executive Education in Strategy & Leadership from Indian School of Business. Mr. Vardhan has also completed advanced management program from Harvard Business School.                                                                                  |  |
| Expertise                                                                                                        | Mr. Vardhan's experiences include exposure to multiple parts of the agri-value chain, commercial & dairy farming, origination of multiple products, primary & midstream processing, local sales & distribution. Mr. Vardhan's role included oversight over operational managers with P & L responsibility as well as functional heads for the region. |  |
| Date of first appointment on the Board                                                                           | 19th July, 2019                                                                                                                                                                                                                                                                                                                                       |  |
| Number of Board Meetings attended                                                                                | Nil                                                                                                                                                                                                                                                                                                                                                   |  |
| Relationship with other Directors/KMP of the Company                                                             | Nil                                                                                                                                                                                                                                                                                                                                                   |  |
| Other Directorships, Membership/Chairmanship of Committees of other Boards of Indian Companies (as at 31.3.2019) | Nil                                                                                                                                                                                                                                                                                                                                                   |  |
| Shareholding in the Company                                                                                      | Nil                                                                                                                                                                                                                                                                                                                                                   |  |

ROUTE MAP TO THE VENUE OF THE 21ST AGM OF THE COMPANY

