

# The tea puzzle

Margins are shrinking and prices are stagnant, but the demand for quality tea gardens remains as robust as ever

ISHITA ANAN DUTT  
Kolkata, 23 June

A proposed tea garden sale by McLeod Russel India, the tea producer from the storied business house of Kolkata, the Brij Mohan Khaitan group, has drawn interest from some reputable players, belying the myriad challenges that the industry often highlights.

In the world of tea, McLeod Russel is a behemoth — its 33 estates in Assam and Doars (north Bengal) produce about 43 million kg (mkg), making it the largest in the country. The total production, with its estates in Vietnam and Uganda, stands at about 69 mkg. The Khaitans, according to industry sources, are looking to offload 13 to 14 of their India estates to finance a one-time settlement (OTS) for the group's \$1,600 crore (principal) debt with banks. And if initial indications are anything to go by, then there is no dearth of interest.

Leading the pack is Carbon Resources, a Kolkata-based company that manufactures inputs for ferro-alloys, steel, and aluminium industries. An "outsider" of sorts, the company's interest perhaps best outlines that demand for good tea gardens continues unabated despite the worsening financial metrics of the sector.

The Suresh Jalan family-owned Carbon is engaged in talks with the Khaitans all over again and is looking to sign a binding term sheet. In the past nine months though, the engagement has had its fair share of twists and turns.

Carbon raised the proverbial storm in a tea cup by picking up a 5.03 per cent stake in McLeod Russel in a surprise move on September 16 last year. On the same day, it approached the tea producer's bankers with a non-binding letter of intent to settle the debt and take a controlling stake in the company. The Khaitans were then in the middle of discussing a debt resolution plan with the bankers.

But the proposal achieved little apart from bringing the two sides to the negotiating table. In January this year, McLeod said that it had entered into an exclusivity agreement with Carbon to discuss a proposed OTS. But it became inflexible when the tea company was dragged into insolvency



## IN THE TEAPOT

Size of McLeod Russel Group

McLeod Russel India

31 Assam Estates

20 North Bank

11 South Bank

40.62 mkg

2 Dooras estates

2.38 mkg

Total crop

McLeod Russel Group

49 Total estates

(India, Vietnam, Uganda)

Total crop

68.731 mkg

Source: McLeod Russel website

proceedings by IL&FS Infrastructure Debt Fund in February.

Once out of National Company Law Tribunal, discussions resumed but fell through leading Carbon to offload McLeod shares in the open market about a week back. The two sides are, however, giving the deal another go.

While the saga continues, some big names in the tea industry are waiting in the wings, ready to step in should the Carbon deal go south.

"If there are synergies and we are able to improve our portfolio then we may look at buying some gardens from McLeod," said Himanshu Shah, chairman, M K Shah Exports.

In 2018, M K Shah, one of India's largest orthodox tea producers, had scooped up eight estates from McLeod Russel for \$33 crore. "So many assets have been sold since, but we have not shown any interest. Now again, we have an appetite for gardens provided the fit is right," Shah said. The compa-

ny's estates, spread across Assam, produce around 19 mkg.

Like-wise, C K Dhanuka, whose ties with tea go back 50 years, is in a buying mode and willing to pick up 7 to 8 mkg "at the right price." "I am interested but not desperate," he said.

Last year, Dhanuka acquired six estates — two from the Apeejay Surrendra group and four from Warren Tea — taking the production to 15 mkg.

Rossell India, which produces 5.6 mkg from its six estates in Assam, is also in "preliminary" discussions for acquiring McLeod's gardens. According to sources in the know, it is willing to acquire up to 5 mkg to take the production to more than 10 mkg.

But it's all a bit up in the air right now. Sources close to the Khaitan family said that nothing has been finalised and the banks need to decide on the OTS amount.

So what is making tea tick for some? After all, the profit margins in the

industry have dropped over the years with tea prices stagnating. "The operating profit margin in FY14 was around 12 per cent and in FY22 stood at 5 per cent," Kausik Das, vice-president, Ica said.

According to Das, the wage cost in the industry has outpaced tea prices. The total wage per man day in West Bengal and Assam increased at a CAGR of 7 per cent and 10 per cent, respectively, during CY2014-CY2019, while the average North India auction prices remained stagnant during the same period with a CAGR of only 1 per cent, an Ica report showed.

But big players want to get bigger to get the benefit of economies of scale. "In today's world, size matters," explained Shah. "The pie of quality tea in total tea production has shrunk over the years. And McLeod has a number of good quality gardens in their basket providing an opportunity."

Dhanuka believes that the government going forward would give into the industry's demand for a floor price. For Rossell, tea is core competence. What's the hook for a non-tea player like Carbon? "If you enter a business, it should make sense from the point of scalability," everyone's director, Abhinav Jalan, said.

But it's not anybody's cup of tea. Last year, Warren Tea, which traces its lineage to the 1850s, exited plantations. "It was a strategic decision to focus more on our hotels and IT businesses," Vivek Goenka, president, Warren Tea, said.

Among the oldest tea groups in the country, the Apeejay Surrendra group, has sold most of its gardens in the last one and a half years. At the peak of its association with the industry, it had 17 estates, which is now down to two. Going forward, it would retain one estate and build school, hospital, and tourism infrastructure there.

But if there are sellers, there are buyers as well. And the serious ones from the industry are putting their buck on Assam estates quite unlike Darjeeling, which has seen a heightened interest from non-tea players.

The reasons are two: The yield in Assam is much higher, making it more remunerative for buyers. And of course, the vintage setting — the rolling greens of the tea estates with snow-capped peaks in the backdrop — makes Darjeeling more alluring from a tourism point of view.

McLeod gardens, in a way, are banking in dual advantage. The gardens on offer are in Assam and the industry reckons, despite the vintage setting, the assets are of good quality. Small wonder that the 31 estates in Assam are whetting the appetite of buyers even as the McLeod pot continues to boil.

## NUMBER WISE

# ERRING FIRMS CONVICTED BUT IT'S NOT MISSION ACCOMPLISHED

Majority of prosecutions successful for the first time in over a decade

1: HIGHEST CONVICTION RATE SINCE 2007-08

Convictions as % of total decided cases



ASHU VARGHESE  
New Delhi, 23 June

Regulatory authorities have improved their record in bringing errant companies to task in recent times.

The conviction rate is at its highest in years, shows a *Business Standard* analysis of Ministry of Corporate Affairs data, amid reports of a rejig in its approach to infractions. Around 5.3 per cent of cases decided upon resulted in convictions in 2018-19. The number increased to 53.6 per cent in 2021-22 to touch a 14-year high.

The ministry is planning to free up resources at the Registrar of Companies (RoC), which is in charge of the registration, regulation and striking-off of companies, to focus on serious violations.

The last time that the majority of cases, 61 per cent of them, ended in convictions was in 2007-08 (see chart 1).

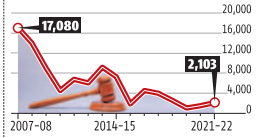
But there may be more to the headline number. The number of cases the ministry is taking up for prosecution is also declining (see chart 2).

The most common violation in 2021-22 was companies not holding annual general meetings (434 cases), likely due to the Covid-19 pandemic.

The RoC also looks into complaints that investors or members of the public make against companies. There were almost 60,000 such complaints in 2021-22 (see chart 3).

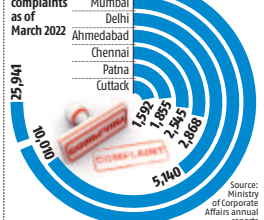
## PROSECUTIONS HAVE BEEN IN DECLINE

Number of prosecutions started during the year



## KOLKATA HAS HIGHEST NUMBER OF PENDING COMPLAINTS

Pending complaints as of March 2022



Source: Ministry of Corporate Affairs annual reports

## पंजाब नैशनल बैंक | punjab national bank

Share Department, Board & Co-ordination Division  
Plot No. 4, Dwarka Sector-10, New Delhi-110075  
Email Id: hosd@pnbnb.co.in, Tel No: 011-28044857

### PUBLIC NOTICE

Notice is hereby given that Share Certificates of the Bank mentioned below have been reported lost/misplaced/stolen and the registered holders thereof / claimants thereto have requested for issue of duplicate share certificates:

Sr. No.	Name of Shareholders	Folio No.	Share Certificate	Distinctive No. of Shares	No. of Shares
1	Gerard Saldanha	1291117	003020	674085981-674087915	1035
2	Pardsep Kumar Sharma Smt Parveen Sharma (H-Holder-1)	0039833	002451	2066500	500

In case any person has any claim in respect of the said shares/any objection(s) for the issuance of duplicate certificate in favour of the above stated shareholders claimants, he/she should lodge their claim or objection within 15 days of the date of publication of this Notice. If within 15 days from the date hereto no claim is received by the Bank in respect of the said certificate, duplicate share certificate will be issued. The public is hereby cautioned against dealing in any way with the above mentioned certificate(s).

For Punjab National Bank  
(Ektu Pasricha)  
Company Secretary

Date: 23.06.2023  
Place: New Delhi

## Before the Government of India Ministry of Corporate Affairs Company Petition No. 241/2023-CL-11 In the matter of the Companies Act, 2013

And  
In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

And  
In the matter of Scheme of Amalgamation Amongst  
RailTel Enterprises Limited  
(Transferor Company/ Petitioner Company-I)

RailTel Corporation of India Limited  
(Transferee Company/ Petitioner Company-II)  
And  
Their respective shareholders and creditors  
[For the sake of brevity, Petitioner Company-I and Petitioner Company-II are hereinafter collectively referred to as "Petitioner Companies"]

### NOTICE OF PETITION

A petition under Section 230 to 232 of the Companies Act, 2013, for obtaining the sanction of the scheme of amalgamation ("Scheme") embodying amalgamation amongst RailTel Enterprises Limited and RailTel Corporation of India Limited and their respective shareholders and creditors was presented by the Petitioner Companies on, 01.06.2023 before the Ministry of Corporate Affairs, Govt. of India ("MCA"). In terms of the Scheme, the date of the petition will be fixed for hearing before Shri. Jnder Deep Singh Dhawalji, Joint Secretary, MCA, 5th Floor, 'A' Wing, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-110 001 on 05.07.2023 at 09.30 PM.

Any person desirous of supporting or opposing the said petition should send to the office of the Registrar of Companies (i.e. at Plot-A, 6th Floor, Office Block Tower-2, East Kidewai Nagar, New Delhi-110023) or to the Petitioner Companies advocates, the notice of his/her intention, together with his/her name and address, so as to reach the Petitioner Companies or Petitioner Companies advocates at Aetom Legal at G-29, Lower Ground Floor, Lalaji Nagar-II, New Delhi-110024, not later than two days before the date fixed for hearing of the petition. Where he/she seeks to oppose the petition, the grounds of opposition, or a copy of his/her affidavit shall be furnished to the Registrar of Companies. The notice will be furnished by the undersigned to any person requiring the same on payment of the prescribed charges for the same.

Date: 22-06-2023  
Place: Delhi

For & on behalf of the Petitioner Companies

Sd/ Yashveer Singh  
Company Secretary  
RailTel Enterprises Limited (Petitioner Company-I)  
Sd/ J.S. Marwah  
Company Secretary  
RailTel Corporation of India Limited (Petitioner Company-II)

## NSE NATIONAL STOCK EXCHANGE OF INDIA LTD.

Regd. Office: Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051  
Email: nse@nseindia.com Website: www.nseindia.com

### NOTICE TO MEMBERS

NOTICE is hereby given pursuant to the provisions of Section 113 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020, General Circular No. 10/2021 dated 23rd June, 2021, General Circular No. 20/2021 dated 8th December, 2021, General Circular No. 03/2022 dated 5th May, 2022 and General Circular No. 11/2022 dated 28th December, 2022 issued by the Ministry of Corporate Affairs ("MCA Circulars"), the Company is seeking assent or dissent of the members of the Company by voting through postal ballot to the ordinary resolution pertaining to Appointment of Mr. Tabish Pandey (DIN: 02139563), as Shareholder Director/ Non Independent Director, in terms of the Resolution set out in the postal ballot notice dated June 22, 2023 ("the said Postal Ballot notice").

The Company has completed the dispatch of the said Postal Ballot notice accompanied by an explanatory statement through e-mail on June 23, 2023 to those members of the Company who have registered their e-mail address with the Company or deposited postal ballot envelopes as on June 16, 2023 ("cut-off date"). The right of members to receive the said Postal Ballot notice and the right to vote on the said resolution shall be reckoned as of the cut-off date and a person who is not a member of the Company as on the cut-off date should treat the said Postal Ballot notice for information purposes only. The voting right of the members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date.

Ministry of Corporate Affairs has allowed the companies to send postal ballot notice only by e-mail. Pursuant to the enabling provisions of the MCA Circulars, hard copy of the notice, postal ballot form and postage pre-paid reply envelope are not sent to the members. The members who communicate their assent or dissent only through remote e-voting system. The members are accordingly requested to convey their assent or dissent only through remote e-voting.

The members of the Company are also hereby informed and are requested to note that:

- The business as set out in the said Postal Ballot notice is to be transacted by the members through facility of remote e-voting (i.e. e-voting from any place). The remote e-voting facility is provided by the Company through e-voting platform of National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, which is the authorized agency. The facility of casting votes by the members using remote e-voting system is provided by NSDL as per provisions of Section 109 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The details of the process and the manner of remote e-voting have been communicated to the members through e-mail read with the said Postal Ballot notice.
- This said Postal Ballot notice is available on the website of the Company at [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- The remote e-voting will commence on Saturday, June 24, 2023 at 9.00 a.m. (IST) and would end on Sunday, July 23, 2023 at 5.00 p.m. (IST). The e-voting module shall be disabled by NSDL for voting thereafter and the remote e-voting shall not be allowed beyond the aforesaid date and time. Once the vote on resolution is cast, the member shall not be allowed to change it subsequently or cast the vote again.
- 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 shall be entitled to avail the facility of remote e-voting. During the above voting period, members of the Company as on cut-off date only shall be entitled to cast their vote through remote e-voting.
- The Board of directors of the Company has appointed Ms. Deepthi Kulkarni, failing her Mr. Omkar Dindorkar, designated partners of M&JB & Associates LLP, Practicing Company Secretaries as Scrutinizer to conduct the remote e-voting process in a fair and transparent manner.
- A member who has not received the said Postal Ballot notice may write to the Company at [secretarialdept@nse.co.in](mailto:secretarialdept@nse.co.in) to receive a copy of the said notice.
- The members may contact Ms. Pallavi Mhatre, Manager of NSDL (at National Securities Depository Limited, Trade World, A Wing, 4th Floor, Kamla Mills Compound, Lower Panel, Hurlingham, Mumbai-400 031) or at [+912224994845](tel:+912224994845); or Email: [pallavi@nseindia.com](mailto:pallavi@nseindia.com), who is responsible to address grievances. If an investor wishes to provide technological help connected to remote e-voting facility. A member having query connected with voting by postal ballot may contact Mr. Rohit Gupta, Company Secretary on 022- 2659 8100 or by sending e-mail to [secretarialdept@nse.co.in](mailto:secretarialdept@nse.co.in)
- The members who have not registered their e-mail address with the Company or depository participant/depository need to follow the following process to register their e-mail ID through User ID and Password for remote e-voting:
  - Members are requested either to write to the Company at [secretarialdept@nse.co.in](mailto:secretarialdept@nse.co.in) with the copy of signed request letter mentioning the name and address, number of shares held on cut-off date, designated e-mail ID, self-attested copy of client master or consolidated account statement, self-attested copy of PAN card and self-attested copy of any other identity proof in support of the address; or alternatively, the member may update e-mail address with the depository participant/depository and provide the Company updated client master or consolidated account statement.
- The members may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-9990 or send a request to Ms. Pallavi Mhatre at [evoting@nseindia.com](mailto:evoting@nseindia.com).
- The Scrutinizer will submit the report to the Chairman or any other person authorized by the Chairman, after the completion of scrutiny of the e-voting. The scrutinizer's report and the result of the postal ballot will be announced and will also be displayed on the Company's website (<http://www.nseindia.com>) and on the website of NSDL (<http://www.nsdl.com>), and be communicated to the depository, registrar and share transfer agent within the stipulated timelines.

For National Stock Exchange of India Limited

Place: Mumbai  
Date: June 22, 2023  
Sd/ Rohit Gupta  
Company Secretary



## VST GROUP ENTERPRISE TILLERS TRACTORS LTD.

CIN- L34101KA1967PLC001706  
Registered office: Plot No-1, Dvayassandra Indl Layout, Whitefield Road, Mahadevapura Po., Bengaluru 560 048 Ph: 080 - 67141111  
e-mail: [vsigen@vstractors.com](mailto:vsigen@vstractors.com), [www.vstractors.com](http://www.vstractors.com)

### POSTAL BALLOT NOTICE

Members are hereby informed pursuant to the provisions of Section 108, Section 110, and other applicable provisions of the Companies Act, 2013, as amended ("the Act"), read together with the Companies (Management and Administration) Rules, 2014, as amended (the "Management Rules"), General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, and 11/2022 dated December 28, 2022 (collectively, the "MCA Circulars"), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") and any other applicable law, rules and regulations (including any statutory modification(s) or amendment(s) thereon, for the time being in force), V.S.T. Tillers Tractors Limited ("the Company") seeks members approval by way of postal ballot notice e-voting only in respect of resolution as set out in Postal Ballot Notice dated May 12, 2023. The Company has on June 23, 2023 Completed the dispatch of Postal Ballot Notice through electronic mode to all the shareholders whose name appear in the Register of Members/ List of Beneficial Owners as on June 16, 2023 ("Cut-off Date"). The Postal Ballot Notice is sent in electronic form to the members who have registered their e-mail addresses with the Registrar and Transfer Agents of the Company. The hard copy of this Postal Ballot Notice and prepaid business envelope will not be sent to the Members for this Postal Ballot as per the MCA and SEBI Circulars.

The voting rights of the shareholders shall be reckoned on the basis of equity shares of the Company held by them as on the cut-off Date. Any person who is not a shareholder of the company as on the cut-off date shall treat the notice for information purpose only.

In compliance with above provisions, the company is providing e-voting facility to the shareholders to cast their vote through electronic means on all resolutions set forth in Postal Ballot Notice. The Company has engaged the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility. Shareholders are requested to note that the e-voting period will commence on Saturday, June 24, 2023 at 9.00 a.m. and will end on Sunday, July 23, 2023 at 5.00 p.m. The e-voting facility shall be disabled thereafter by NSDL.

The Board of Directors has appointed Shri. Thiruppal Gorge, a Practicing Company Secretary, Designated Partner, M/s. Thiruppal Gorge & Associates LLP, Bengaluru, as Scrutinizer for conducting the postal ballot e-voting in fair and transparent manner. Members are requested to cast their vote through e-voting process not later than 5.00 PM IST on Sunday, July 23, 2023 and e-voting after 5.00pm on Sunday, July 23, 2023 shall be treated as 'invalid'.

In light of the MCA Circulars, members who have not registered their email address and in consequence could not receive the postal ballot e-voting notice may temporarily get their email registered with the Company's RTA, Integrated Registry Management Services Private Ltd by sending email to [irg@integratedindia.in](mailto:irg@integratedindia.in). Post successful registration of the email, the members would get soft copy of the notice and the procedure for e-voting to enable e-voting for this Postal Ballot. In case of any queries, members may write to [irg@integratedindia.in](mailto:irg@integratedindia.in).

The Postal Ballot Notice is made available on the website of the Company at [www.vstractors.com](http://www.vstractors.com) and on the websites of the Stock Exchanges i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also website of National Securities Depository Limited i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

The results of the postal ballot shall be declared within 2 working days from conclusion of e-voting, and communicated to the Stock Exchanges, Registrar and Share Transfer Agent and shall also be placed on Company's website: [www.vstractors.com](http://www.vstractors.com) and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

In case of any queries, members may refer to the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com), under the help section or write an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). The members may contact Mr. Harish K., Senior Manager at Integrated Registry Management Services Private Ltd, No. 30, Ramana Residence, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560003, Tel: +91-80-23460815-818 or through email- [irg@integratedindia.in](mailto:irg@integratedindia.in). The queries can also be addressed to Mr. Chinmaya Khataua, Company Secretary at the registered office mentioned above or through e-mail at [investors@vstractors.com](mailto:investors@vstractors.com).

By Order of the Board of Directors  
for V.S.T. Tillers Tractors Limited

Sd/ Chinmaya Khataua  
Company Secretary

Place: Bengaluru  
Date: June 23, 2023