

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

BOARD OF DIRECTORS

H. M. Gupta, Executive Chairman
Dr. S. S. Baijal, Director
H. M. Parekh, Director
P. L. Agarwal, Director
V. P. Agarwal, Director
C. S. Bedi, Managing Director

**VICE PRESIDENT (FINANCE)-
CUM-COMPANY SECRETARY**

N. K. Khurana

AUDITORS

S. S. Kothari & Co.
Chartered Accountants

BANKERS

Axis Bank Ltd.
Development Credit Bank Ltd.
HDFC Bank Ltd.
State Bank of India
The Bank of Beirut (UK) Ltd.

REGISTERED OFFICE

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

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ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Notice to the Members

Notice is hereby given that the Seventeenth Annual General Meeting of **Rossell India Limited** (Formerly Rossell Tea Limited), will be held on **Thursday, 11th August, 2011** at **2.30 P.M.** at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017, to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2011 and Reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares for the year ended 31st March, 2011.
3. To appoint a Director in place of Dr. S. S. Baijal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following Special Resolution :
“RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such statutory permission(s) and approvals as may be required, authorisation be and is hereby accorded to payment of Commission to Non-Executive Directors not in the wholtime employment of the Company, made or to be made by the Board of Directors of the Company from time to time within the limit of 1% (one percent) of the net profits of the Company for a period of five financial years commencing 1st April 2007, calculated in the manner laid down in Section 309(5) of the said Act and distributed amongst such Directors in such proportion as the Board of Directors decided/may decide pursuant to Article 139 of the Articles of Association of the Company.”

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

By Order of the Board

Place : Kolkata
Date : 18th May, 2011

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

NOTES :

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on a Poll on his/her behalf. A Proxy need not be a Member of the Company. However, proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 6th August, 2011 to 11th August, 2011 (both days inclusive) for the purpose of this Annual General Meeting.
3. The dividend on Equity Shares, if declared at the Meeting shall be paid to those Members whose names shall appear on the Company's Register of Members on 11th August, 2011 for Equity Shares held in physical form. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners for the purpose.
4. Members who are holding shares in identical order of names in more than one Folio in physical form are requested to write to the Company/ the Registrars to consolidate their holdings in one Folio.

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5. Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
6. Members are requested to quote their Registered Folio Numbers / Client ID Nos. in all correspondences with the Company or Company's Registrars and Share Transfer Agent, CB Management Services Private Limited, in case they still hold the Equity Shares in physical form.

7. **Unpaid Dividend**

Those members, who have not so far encashed their Dividend Warrants from the year ended 31st March, 2008 onwards may immediately approach the Company for revalidation of such Dividend Warrants. Please note that pursuant to section 205A of the Companies Act, 1956, the Company is obliged to transfer any money lying in the Unpaid Dividend Accounts, which remain unpaid or unclaimed for a period of seven years from the date of transfer in such Unpaid Dividend Accounts to the credit of Investor Education and Protection Fund (the Fund) established by the Central Government. In accordance with Section 205C of the said Act, no claim shall lie against the Fund or the Company in respect of individual amounts of dividend remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of such claims.

8. **Unclaimed Equity Shares**

Those members, who are holding Equity Shares of the Company in the Physical Form and have not received their new Share Certificates after sub-division of the Equity Shares of the Company, are requested to approach the Company's Registrars and Share Transfer Agents, C.B. Management Services Private Limited immediately, who has already sent a reminder to all such members on 3rd May, 2011, to claim the same with necessary documentary evidence. In terms of Clause 5A of the Listing Agreement (as amended), the said Registrars and Share Transfer Agents shall send another two reminders at the registered address of those members to collect their Share Certificates. In case of non receipt of any response, the Company shall transfer all such Equity Shares into one folio in the name of "Unclaimed Suspense Account". As and when any member claims the same, the Company shall after proper verification either credit such Equity Shares lying in the "Unclaimed Suspense Account" to the demat account of the member concerned or deliver the Physical Share Certificates after rematerializing the same at the option of the claimant.

9. The Members are requested to contact the Company's Registrars and Share Transfer Agents, **C.B. Management Services Private Limited** for all their queries, change of address, transfer requests, or any other matter relating to their shareholding in the Company as per their following contact details :

P-22, Bondel Road, Kolkata – 700 019
Tel. : 033 - 40116700, 40116711, 40116718, 40116723
Fax: 033 - 22870263
Email ID: rta@cbmsl.com

10. **Dematerialisation of the Equity Shares of the Company**

The Equity Shares of the Company are compulsorily required to be held under DEMAT mode for Trading on the floor of the Stock Exchanges, where such Equity Shares are listed. These can be held in electronic form with any Depository Participant (DP) with whom the Members have their Depository Account. All the Members, holding Equity Shares of the Company in the physical form, are advised to get the same dematerialized. The Members may contact the Registrars and Share Transfer Agents of the Company at their address mentioned above in case of any query / difficulty in the matter or at the Registered Office of the Company.

11. **Green Initiative in Corporate Governance**

In terms of Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011, the Company proposes to send you from next Financial Year 2011-2012 onwards, all Communications including Notices of Meetings, Annual Reports and Financial Statements through Electronic Mode to the e-mail addresses, which would be made available to us by the Depositories and also which are registered and / or

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otherwise available with the Company's Registrars and Share Transfer Agent, CB Management Services Private Limited from time to time. The full text of all such documents and communications will also be displayed at the website of the Company www.rosselltea.com.

We seek your kind co-operation and support in our Green Initiative and request you to register your e-mail id with your Depository Participants. The Members still holding the Equity Shares of the Company in physical form are requested to provide/update their e-mails id with the Company's Registrars and Share Transfer Agent at www.cbmsl.com/green.php or with the Company at corporate@rosselltea.com.

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

12. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF ANNUAL REPORT TO THE MEETING.

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

By Order of the Board

Place : Kolkata
Date : 18th May, 2011

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

Explanatory Statement

[Pursuant to Section 173(2) of the Companies Act, 1956]

Attached to the Notice convening the Seventeenth Annual General Meeting to be held on Thursday, 11th August, 2011.

Item No. 5

The Non-Executive Directors have been in receipt of a Fee for attending the Meetings of the Board of Directors of the Company and also commission within a limit of 1% of the Net Profits for earlier periods when profits were available as authorised by the Members. However, keeping in view the valuable services rendered by them for the benefit of the Company, remuneration by way of Commission, up to a maximum of 1% of the Net Profits was resumed in respect of each of the Financial Years commencing 2007-2008, when profits became available.

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

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

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

Registered Office :
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By Order of the Board

Place : Kolkata
Date : 18th May, 2011

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

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DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTHCOMING SEVENTEENTH ANNUAL GENERAL MEETING

Name of the Director	Dr. S. S. Bajjal
Date of Birth	September 06, 1929
Date of Appointment	July 14, 1994
Qualifications	B.Sc. M.Sc. D.Phil. – Organic Chemistry
Expertise in specific functional areas	Corporate Affairs and Management
List of Public Companies in which Directorship is held	Atul Limited DCM Shriram Consolidated Limited DCM Shriram Credit & Investments Limited Rossell India Limited BMG Enterprises Limited Delhi Guest Houses Private Limited Sigma Microsystems Private Limited Rossell Aviation Private Limited
Chairman / Member of the Committees of the Board of the Companies on which he is a Director	DCM Shriram Consolidated Limited Audit Committee – Chairman Remuneration Committee – Chairman Investors/Shareholders' Grievance Committee – Member Rossell India Limited Audit Committee – Chairman Remuneration Committee – Member Atul Limited Audit Committee – Chairman Remuneration Committee – Member BMG Enterprises Limited Remuneration Committee – Member Sigma Microsystems Private Limited Remuneration Committee – Member

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Report of the Board of Directors for the year ended 31st March, 2011

Your Directors have pleasure in presenting their Seventeenth Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

CHANGE OF NAME OF THE COMPANY

As approved by you by way of Special Resolutions passed by Postal Ballot on 7th April, 2011, the name of the Company has been changed to ROSSELL INDIA LIMITED as per the Fresh Certificate of Incorporation consequent upon Change of Name dated 19th April, 2011 issued by the Assistant Registrar of Companies, West Bengal.

SUB DIVISION OF EQUITY SHARES

As approved by you by way of Ordinary Resolutions passed by Postal Ballot on 21st December, 2010, each Equity Share of Rs.10 each of the Company was sub divided into 5 Equity Shares of Rs. 2 each. The new Equity Shares were allotted on 22nd January, 2011.

FINANCIAL RESULTS	Year ended 31.03.2011	Year ended 31.03.2010
	Rs. in Lacs	Rs. in Lacs
Profit before Interest and Depreciation	2,735.15	2,890.37
Less: Interest (Net of subsidy)	<u>138.34</u>	<u>227.11</u>
Profit before Depreciation	2,596.81	2,663.26
Less : Depreciation	<u>180.10</u>	<u>164.17</u>
Profit before Taxation	2,416.71	2,499.09
Less : Provision for Current Taxation	485.00	500.00
Deferred Taxation adjustment	<u>5.00</u>	<u>68.00</u>
Profit after Taxation	1,926.71	1,931.09
Add : Balance Brought Forward	<u>474.11</u>	<u>214.75</u>
Profit available for Appropriation	2,400.82	<u>2,145.84</u>
Appropriated as under :		
General Reserve	1,800.00	1,500.00
Dividend on Equity Shares		
-Interim Paid @ Nil		
(2010-10% on Equity Share Rs. 10)	-	73.39
- Final proposed @ 20%		
(2010-10% on Equity Share Rs. 10)	146.79	73.39
Tax on Dividend	24.38	24.95
Balance Carried Forward	<u>429.65</u>	<u>474.11</u>
	2,400.82	<u>2,145.84</u>

DIVIDEND

Your Directors are pleased to recommend to the Members, for their approval, a dividend of Rs.0.40 per Equity Shares of Rs.2 each in the Company for the year ended 31st March, 2011.

TURNOVER

The gross turnover of your Company including the receipts for technical and support services was Rs.7,593.25 lac for the current year as against Rs. 7,646.41 lac in the previous year.

Own crop during the year was 39.66 lac kgs. as against 42.67 lac kgs. in the previous year. The total crop inclusive of bought leaf production was 40.03 lac kgs., as against 42.89 lac kgs. in the previous year. The

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decline in crop is attributable directly to very adverse weather conditions and severe pests infestation on the South Bank Estates during the year under review.

PERFORMANCE

Rossell Tea

The Directors view with great satisfaction your Company's performance for the year under review. Company achieved averages which were the highest in the industry and continued to retain its position as amongst the best quality producers of Orthodox Tea.

Company's average for its produce for the year 2010-11 was Rs. 170.45 per kg. as against Rs.159.68 per kg. registering an increase of 6.75%. The average for Assam stood at Rs.129.00 per kg. These averages reflect the effort and standards that go into making tea at Rossell.

Company continued to upgrade and modernize its assets and facilities. The Company's policy of uprooting and replanting to replace ageing bushes in the field continues to be an ongoing developmental policy with a long term perspective.

Inclement weather conditions followed by a widespread attack of helopeltis in June 2010 hit all Estates in Upper Assam. As with all other companies, this resulted in a loss of valuable second flush crop on all Estates located in the area. Company was able to overcome these negatives and this loss was minimized. Our continued policy of maximizing quality orthodox production, resulted in maintaining profitability almost at the same levels as the previous year inspite of 7.05% lower crop for the year and rising prices of all inputs and resultant inflationary pressures.

Aviation Products and Services

During the year 2010-11 the turnover of the company from Aviation Products and Services was Rs.835.89 lacs as against Rs.839.24 lacs in the year 2009-10. The profit before interest and tax was Rs.347.97 lacs as against Rs.446.74 lacs in the previous year.

Aerotech Services Division as per the long term agreements signed with multi national companies, continued providing product support services for their equipments fitted on various aircraft, helicopters and ships in India.

Vankesh Avionics Technologies is involved in design, development and production. It has continued with its main thrust areas, namely, harnessing and loom manufacture, testing and integration, systems integration, design and development of Automatic Test Equipment. Company has supplied equipments to various Public Sector Undertakings and various Defence Research & Development Organisations.

PROSPECTS

Rossell Tea

With pipeline stocks very tight and a cumulative shortage internally of over 80 million kgs, fuelled by rising consumption, the Indian market continues to be demand led. The shortfall in the global tea market eased significantly in 2010 on the back of large increase in production out of Kenya and Sri Lanka. On the domestic front in 2010, the Indian production was 966 million kgs. as against 979 million kgs. in 2009. Overall the prospects in 2011 reflect a strong market for CTC teas which we expect will sell strongly through the year at most satisfactory levels.

The orthodox teas have started season 2011 strongly. We look forward to the Government of India resolving the banking imbroglio for continued exports to Iran. Nonetheless a quality product will continue to sell well, be it CTC or Orthodox. Your directors view the year ahead with cautious optimism.

Aviation Products and Services

Against various defence and aviation contracts already signed between Ministry of Defence and foreign Original Equipment Manufacturers (OEMs), we envisage that from the second half of this year, these foreign companies will now start giving offset contracts to Indian companies.

STAFF WELFARE AND SOCIAL ACTIVITIES

The Company continues to espouse the principles of welfare, safety and health of its working force in a clean and congenial environment. Workers' health and well-being continues to be a priority with your Company. The

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infrastructure in the areas of welfare schemes, health, hygiene, education and a clean potable water supply continues to be strengthened. The sanitation initiative of the UNICEF has been taken forward very strongly in the year under review. Sanitation for all is a focus area with your Company.

Your Company is fully aware of its corporate social responsibilities and our emphasis in respect thereof is briefly enumerated below :

a. **Environment**

To adopt a holistic approach towards the protection of the environment, through sustainable pursuit of agriculture as also through good manufacturing practices. Awareness camps on the environment are held regularly on all estates.

b. **Education**

Well equipped schools for workers children at all Estates.

c. **Health**

- i. Clean potable water for the entire population where our Estates are located.
- ii. Well equipped hospital with trained and dedicated staff.
- iii. Regular monitoring of pre and post natal care for mother and child.
- iv. A sanitation scheme in partnership with UNICEF.
- v. Organizing camps for eye care, pulse polio and regular sterilization camps.
- vi. AIDS awareness.
- vii. At the grass root level mother's clubs to disseminate information on health, hygiene and alcoholism.
- viii. Vocational centers for knitting and tailoring.
- ix. Malaria prevention scheme.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 (the Act), your Directors state and confirm the following:

- (i) That in preparation of the Company's Annual Accounts for the year ended 31st March, 2011 the applicable accounting standards have been followed and proper explanations have been provided for material departures, where applicable.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2011 and of the Profit of the Company for that financial year.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularity.
- (iv) That the Directors have prepared the Annual Accounts for the year ended 31st March, 2011 on a going concern basis.

CORPORATE GOVERNANCE

Your Company is complying with the Corporate Governance Code as prescribed in Clause 49 (Revised) of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed to this report.

DIRECTORS

In accordance with the provisions of Article 150 of the Articles of Association of the Company, Dr. S.S. Bajjal retires at the forthcoming Annual General Meeting, but being eligible offers himself for re-appointment.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

Your Directors are pleased to provide the information required to be disclosed in accordance with Section 217(1)(e) of the Act, read with the above Rules, in Annexure I hereto forming part of the Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry Structure & Developments

Rossell Tea

The all India production in season 2010 was 966 million kgs. as against 979 million kgs. in 2009 and 981 million kgs. in 2008. The lower crop in 2010 was largely due to poor cropping in the upper Assam area which experienced an unprecedented pest attack and inclement weather earlier in the season. Exports in 2010 were 193 million kgs, which included an import of 17.49 million kgs. for re-export.

There was pressure on pipeline stocks which depleted considerably, over 2009; leaving the market, once again, very strongly demand led. Whilst orthodox teas were higher on global cues, CTC prices improved due to increased domestic demand.

As has been the situation in the recent past the market continued to pay better, for quality teas. The differential in prices between good and plainer types widened considerably in 2010.

The Company's exports were higher by 1.22 lac kgs. over the previous year (+28.57%) and the turnover was Rs.160 lacs higher (+15.91%) over that in 2009.

Aviation Products and Services

The Government of India remains committed to encourage the participation of private companies in the defence sector. A new defence procurement procedure was announced in January, 2011 and like the previous procedures the Government has made it mandatory for 30% - 50% offset work to be executed in India against all contracts which are awarded to overseas companies valued above Rs. 300 crores. Offsets are now eligible against work to be done in defence, civil aviation and home land security.

Offset obligations have to be undertaken to the tune of over \$10 billion in the next few years, which provide a vast opportunity for the growth of private participation in the Indian defence sector.

The Company will continue to focus on this sector in a big way and address the increased potential for business. The Company is also looking for growth in this sector by way of strategic tie-ups with foreign OEMs. A new facility will be set up this year in Bangalore to enhance our capabilities.

(b) Opportunities and Threats

Rossell Tea

Reports worldwide and specifically in India clearly indicate a healthy increase in consumption. On a three years moving average, it is clear that world and Indian production of black tea is showing no significant upward movement. The opportunity before us lies in the fact that the market in the medium term will be demand led. At this time it is necessary to concentrate on production of quality teas, as despite the pipeline shortage in India, poorer teas are being discounted. This has been the experience of the last several years.

Your Company has continued to drive its vision of a quality product and this year was no exception. We are now recognized as a quality producer world wide, with this has come, improved brand equity.

With consumption of tea increasing worldwide there is need to position teas as a youthful and healthy beverage. With the Indian economy growing robustly there is an opportunity for value addition and thereby offer sophisticated choices to the consumer.

As an agricultural crop, tea cultivation is dependant on good growing conditions, climate change and general vagaries of nature do impact production and quality, as was the case in 2010; and these factors are not in our control. However sustainable agricultural practices can minimize the effects of droughts and floods to some extent.

The Middle East countries are large consumers of Indian tea and this market is growing. However with the current unrest in some of these countries there is some air of uncertainty. However your Company is more than optimistic that this is a temporary setback and will be put in order soon.

Aviation Products and Services

The offset policy and the huge outlay by the Government of India for the aerospace and defence segments create an enormous opportunity for business sustenance and growth. Increased interest by many foreign OEMs has resulted in opportunities for partnerships, technology tie-ups and even a few joint ventures. It is accepted by all that the Company which continues to build niche technological skill, services and product portfolios and which is focused on execution to time, quality and cost, will be the company that will emerge

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successful. It is the endeavour of your Company to focus on these aspects of technical skill consolidation and operational effectiveness and efficiency in meeting enhanced competition.

All said and done, the fact remains that private participation is here to stay in this critical sector and your company will continue to pay increased attention to this sector. Risks and Rewards will continue to exist and will be an integral part of the playing field.

(c) Segment wise Business Performance

Rossell Tea

In keeping with our larger goal of increasing exports volumes, whilst also increasing the Company's footprint in newer markets, export continues to remain a focus area.

We were able to export a larger volume for the year, inspite of loss of large part of the high priced second flush crop on our South Bank Estates. The export for the year was 5.49 lac kgs. which was 13.85% of our total tea sales as against 4.27 lac kgs. in 2009-10 and 3.62 lac kgs. in 2008-09. The turnover from exports in 2010-11 was Rs. 1,164 lac as against Rs. 1,004 lac in 2009-10 and Rs. 824 lac in 2008-09.

Aviation Products and Services

The Aviation business has contributed consistently towards the overall profitability of the company.

The total revenue was Rs.400.22 lacs in 2008-09, Rs. 857.16 lacs in 2009-10 and Rs.906.02 lacs in 2010-11. The profit before interest and tax was Rs.87.54 lacs in 2008-09, Rs.446.74 lacs in 2009-10 and Rs.347.97 lacs in 2010-11.

(d) Outlook

Rossell Tea

The current world crop scenario shows a decrease of 27.1 million kgs. as against the same period last year. Kenya is much behind but crops are strong in Sri Lanka, Indian crops are at par with last year but the outlook in the next few months points to a higher production between June and August, 2011.

Within the domestic market the demand is largely CTC led and the market is expected to be buoyant. The caveat is that quality teas must be returned, as medium to plainer types are likely to be discounted. Your Company continues to follow a strictly quality oriented path and there will be no change in this area.

In the coming year, the Tea Business of your Company will be under the entity "Rossell Tea" (Division of Rossell India Limited).

Aviation Products and Services

Aerotech Services Division continues to service long term agreements with foreign OEMs for providing product support services for their equipment fitted on various aircraft, helicopters and ships in India. We expect the product support services business to continuously grow.

In the coming year, we intend to restructure our Aviation business under one entity "Rossell Techsys" (Division of Rossell India Limited). We hope to do joint ventures or subcontract agreements with foreign companies in the coming year which will give a boost to your Company's aviation business.

(e) Risk and Concerns

Rossell Tea

In spite of the shortfall in the production from India, Kenya and Sri Lanka for the period January-March, 2011, the market has not yet reacted to the above shortfall as the stock position with most major buyers internationally is satisfactory. The political trouble in Libya, Syria, Egypt and Pakistan has seen lower imports into these countries. The present banking problem between India and Iran is also causing concern, which is evident from the buyers' subdued participation in the auctions, which has depressed the price levels particularly for the orthodox broken grades in the recent past.

Your Company continues to follow a strictly quality oriented path and there will be no change in this area.

Aviation Products and Services

The risk on product services continues to be marginal. However, in the case of Vankesh avionics, much of the business comes via public sector undertakings. Inherent inertia in processes could lead to unwanted delays and associated spill over. The business acquisition process will continue to be through a tendering

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process that will be fought fiercely. There will be increased pressure on competitiveness and delivery. Operational efficiency will be the watch word. Further, the sector being largely technology oriented will also need investment in infrastructure, human capital and in quality processes, which may have short to midterm impact on financial outlook.

(f) Internal Control Systems and their adequacy

Your Company has adequate Internal Control Systems at all levels of management and they are reviewed from time to time. The Internal Audit is carried out in-house as well as by firms of Chartered Accountants. The Audit Committee of the Board looks into Auditors' Review, which is deliberated upon and corrective action taken wherever required.

(g) Financial and Operational Performance

Along with the continual emphasis on quality upgradation, prudent management of costs has been the stated objective of your Company. In the year under review your Company has sustained its performance in spite of various odds. The operating profit before depreciation in respect of Rossell Tea for the year was Rs.2,228.53 lacs against Rs. 2,202.00 lacs of previous year.

With the enhanced products and human resources developing within the year, the focus remained to develop in-house products and skills which required capital investment. Hence the Aviation Products and Services business segment of the Company contributed Rs.368.28 lacs to the operating profit before depreciation, as against Rs. 461.26 lacs in the previous year.

The operating profit before depreciation for the Company is Rs.2,596.81 lacs as against Rs.2,663.26 lacs in the previous year. The financial base of your Company remains sound and we expect further improvement with better financial and operational performance in the future.

(h) Human Resources Development

Rossell Tea

Human resources are a valuable asset at the Corporate Office as also at the Tea Estates of your Company and attention is continuously paid to their development and well being. Industrial relations at all the Estates remain satisfactory, where your Company employs around 4,500 personnel on its roll.

Aviation Products and Services

There will be increased focus on human resources, training and retention in this sector. Your Company will have to not only match, but also exceed industry standard employment practices to attract and retain best in class talent pool to ensure that the Company maintains its competitive position with respect to execution.

PERSONNEL

Your Directors record their appreciation for contribution and co-operation of all the employees.

Particulars required to be furnished as per Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975 (as amended) in respect of employees of the Company, who were in receipt of remuneration exceeding Rs.60.00 lacs per annum where employed for full year or Rs.5.00 lacs per month where employed for a part of the year, are given in Annexure II to this Report.

AUDITORS

M/s. S. S. Kothari & Co., Chartered Accountants, Auditors, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Audit Committee has recommended their appointment as Auditors of the Company.

For and on behalf of the Board

Place : Kolkata
Date : 18th May, 2011

H. M. Gupta
Executive Chairman

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Annexure I to Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2011

Particulars with respect to Conservation of Energy

1. Energy conservation measures taken : Replacement of old and outdated equipments, wherever required with energy efficient equipment giving higher output with less energy consumption.
2. Additional Investment and Proposals, if any, being implemented for being reduction of consumption of energy : Installation of energy saving equipment and modernisation of Factories at the Estates is being done in a phased manner.
3. Impact of measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods : Improvement of energy utilisation resulting in economy in cost.

Form A

	Year ended 31st March, 2011	Year ended 31st March, 2010
A. Power & Fuel Consumption :		
1. Electricity		
a) Purchased		
Units (Kwh)	17,49,358	18,57,281
Total Amount (Rs.)	1,33,13,406	1,37,88,206
Rate/Unit (Rs.)	7.61	7.42
b) Own Generation		
i) Through Diesel Generator		
Units (Kwh)	4,72,384	6,50,621
Unit/Ltr. of Diesel Oil	2.62	2.70
Fuel Cost/Unit (Rs.)	14.59	12.52
ii) Through Natural Gas Generator		
Units (Kwh)	9,02,858	10,12,987
Total Cost of Gas Consumed (Rs.)	16,17,985	16,96,390
Fuel Cost/ Unit (Rs.)	1.79	1.67
2. Natural Gas		
Quantity (Scm)	22,18,272	21,36,488
Total Cost (Rs.)	1,08,73,178	67,49,778
Average Rate/Unit (Rs.)	4.90	3.16
3. Furnace Oil		
Quantity (Ltr)	-	18,155
Total Amount (Rs.)	-	6,55,032
Average Rate/Unit (Rs.)	-	36.08
4. Coal (Coke/Rom) for Tea Processing		
Quantity (MT)	1,865.58	2,047.24
Total Cost (Rs.)	82,73,241	84,61,997
Average Rate/Unit (Rs.)	4,435	4,133

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

B. Consumption per Unit of Production :

Production - Tea (Gross) Kgs.	40,90,076	43,78,073
Electricity (Kwh)	0.76	0.80
Natural Gas (Scm)	0.89	0.77
Furnace Oil (Ltr.)	0.00	0.01
Coal (Coke/Rom) (Kgs.)	1.18	1.28

Form B

Research and Development (R & D)

1. Specific areas in which R&D is carried out by the Company
2. Benefits derived as a result of above R&D
3. Future Plan of Action
4. Expenditure on R&D
 - (a) Capital
 - (b) Recurring
 - (c) Total
 - (d) Total R&D expenditure as percentage of total turnover

The Company is a member of the Tea Research Association, Kolkata which is registered under Section 35(1)(ii) of the Income Tax Act, 1961. A contribution of Rs.6.98 lacs (2010-Rs. 5.06 lacs) was made towards subscription for the year.

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation
2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, production development import substitution etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year), following information may be furnished
 - a) Technology imported
 - b) Year of import
 - c) Has technology been fully absorbed?
 - d) If not fully absorbed, areas where this has not taken place, reasons therefore, and future plans of action

In-house seminars, discussions with experts and training programme were held for innovative ideas of production and to update the staff.

There has been an overall improvement in productivity and economy in cost was achieved.

Not Applicable

Foreign Exchange Earnings and Outgo

During the year under review, your Company exported a sizeable quantity of teas to various overseas markets. Besides, Receipts for Technical and Support Services were also received in Foreign Currency in Aerotech Services Division. The earnings in Foreign Exchange are given in Note 7.5 in Schedule 18 to the Accounts.

The foreign exchange outgo is given in Notes 7.4, 7.6 and 8 in Schedule 18 to the Accounts.

For and on behalf of the Board

Place : Kolkata
Date : 18th May, 2011

H. M. Gupta
Executive Chairman

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Annexure II to Directors' Report

Information under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) and forming part of the Directors' Report for the year ended 31st March, 2011.

EMPLOYED FOR THE FULL YEAR

Name	Age (in years)	Date of commencement of Employment	Designation / Nature of Duties	Gross Remuneration (Rs.)	Qualification	Last Employment held / Designation	Experience (in years)
H. M. Gupta	57	1st May, 1996	Executive Chairman	1,10,09,952	B. A. (Hons)	BMG Enterprises Limited - Chairman & Managing Director (still continuing)	36

Notes

1. The Gross Remuneration comprises Salary, Commission, Monetary value or Income Tax valuation of Perquisites and the Company's contribution to Provident and Gratuity Funds.
2. The nature of employment is contractual and is subject to the rules and regulations of the Company in force from time to time.
3. Mr. H. M. Gupta is not a relative of any of the Director of the Company.

For and on behalf of the Board

Place : Kolkata
Date : 18th May, 2011

H. M. Gupta
Executive Chairman

Annexure III to Directors' Report

REPORT ON CORPORATE GOVERNANCE

The Listing Agreement of the Stock Exchange in Clause 49 (Revised) has laid down a Code of Corporate Governance which the Company has complied with as follows :

1. Company's Philosophy on Code of Governance :

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

2. Board of Directors – Composition :

The Board is headed by Executive Chairman, Mr. H. M. Gupta and comprises of persons who are expert in their respective fields. At present, majority of the Directors on the Board are Non-Executive Independent Directors. Particulars as on 31st March, 2011 are given below :-

Director	Category	No. of Companies		
		Member of Board	Board Committees #	
			Chairman	Member
Mr. H. M. Gupta	Executive Chairman	10	-	-
Dr. S. S. Bajjal	Non-Executive-Independent	8	4	5
Mr. H. M. Parekh	Non-Executive-Independent	12	4	10
Mr. P. L. Agarwal	Non-Executive-Independent	10	2	6
Mr. V. P. Agarwal	Non-Executive-Independent	5	-	3
Mr. C. S. Bedi	Managing Director	1	-	1

Audit, Shareholders' Grievance and Remuneration Committee.

Board Meetings and Annual General Meeting (AGM) :

During the year under review, 6 Board Meetings were held on 26.05.2010, 29.07.2010, 04.10.2010, 02.11.2010, 24.01.2011 and 16.02.2011.

The last AGM was held on 29.07.2010.

Details of attendance :

Director	No. of Board Meetings Attended	Whether attended Last AGM
Mr. H. M. Gupta	6	Yes
Dr. S. S. Bajjal	4	Yes
Mr. H. M. Parekh	4	Yes
Mr. P. L. Agarwal	4	No
Mr. V. P. Agarwal	6	Yes
Mr. C. S. Bedi	6	Yes

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3. Audit Committee :

The Audit Committee consists of 3 Non-Executive Independent Directors. The Chairman of the Committee has in-depth knowledge in the areas of Finance and Accounts. The Committee has been meeting as and when required and at least once in every quarter of the Financial Year.

The terms of reference of the Audit Committee broadly covers the areas specified in Clause 49 of the Listing Agreement and Sec. 292A of the Companies Act, 1956 and briefly described below :

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommend the appointment and removal of Statutory Auditors, Cost Auditors as well as Internal Auditors, fixation of audit fees and also approval for payment for any other services.
3. To review with management the annual financial statements before submission to the Board for approval, with particular reference, inter alia, to disclosure of related party transactions, qualifications in the draft audit report etc.
4. To review with management the quarterly financial statements before submission to the Board for taking the same on record.
5. To review with the management, statutory and internal auditors, the adequacy of internal control systems.
6. To review the adequacy of internal audit function at present being conducted in house as well as by a firm of Chartered Accountants and to discuss with them any significant findings and follow up thereon.
7. To review the Company's financial and risk management policies.
8. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post audit discussion to ascertain any area of concern.
9. To review the mandatory information with the Management.

During the year under review, 4 Meetings of the Audit Committee were held on 26.05.2010, 29.07.2010, 02.11.2010 and 24.01.2011.

The composition and attendance of the members at the Audit Committee Meetings are as follows :

Name	No. of Audit Committee Meetings Attended
Dr. S. S. Bajjal, Chairman	3
Mr. H. M. Parekh	4
Mr. V. P. Agarwal	4

The Vice President (Finance)-cum-Company Secretary acts as the Ex-Officio Secretary to the Committee. Statutory Auditors, Cost Auditors and Internal Auditors attend the Meeting whenever required. The Executive Chairman, Managing Director and other Senior Executives are also invited to attend and deliberate in the Meetings.

4. Remuneration Committee :

Based on the recommendation of the Remuneration Committee, the remuneration package of Managing Directors is decided by the Board within the statutory framework, subject to approval by the Members of the Company. The Remuneration Committee consists of Non-Executive Independent Directors, namely Mr. H. M. Parekh, Chairman, Dr. S.S. Bajjal and Mr. P.L. Agarwal.

The broad terms of reference of the Remuneration Committee is to determine on behalf of the Board of Directors of the Company, the Company's policy on specific remuneration packages for Managing Director / Wholtime Director of the Company.

ROSSELL INDIA LIMITED
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During the year under review, a Meeting of the Remuneration Committee was held on 26th May, 2010.

Remuneration as per Terms of Service paid to Directors during the year 2010-2011 :

Rs.

Name of Directors	Salary	Commission	Contribution to P.F. and other Funds	Value of Perquisites	Total
Mr. H. M. Gupta, Executive Chairman	26,10,000	68,23,369	3,13,200	12,63,383	1,10,09,952
Mr. C. S. Bedi, Managing Director	17,40,000	—	5,52,300	10,41,909	33,34,209

- 1) Mr. H. M. Gupta :
Service contract : 01.05.2009 to 30.04.2012
Notice period : Three months
Severance Fee : Not Applicable
- 2) Mr. C. S. Bedi :
Service contract : 01.10.2010 to 30.09.2013
Notice period : Three months
Severance Fee : Not Applicable

Sitting Fees and Commission paid/payable to the Non-Executive Directors during the year 2010-2011 and their shareholding in the Company are as under :

Rs.

Non-Executive Directors	Board Fees	Committee Fees	Total	Commission	No. of Shares held
Dr. S.S. Bajjal	20,000	10,000	30,000	2,00,000	1,500
Mr. H. M. Parekh	20,000	37,500	57,500	1,00,000	-
Mr. P. L. Agarwal	20,000	2,500	22,500	1,00,000	-
Mr. V. P. Agarwal	30,000	10,000	40,000	1,00,000	-

There are no stock option plans of the Company.

5. Shareholders' Grievance and Share Transfer Committee :

The Committee at present consists of 1 Non-Executive Independent Director and the Managing Director, namely-

- Mr. H. M. Parekh - Chairman (Non-Executive)
Mr. C. S. Bedi - Member (Managing Director)

The Committee, which meets as and when required, met 13 times during the year.

a)	No. of complaints received from Stock Exchange / SEBI	Nil
b)	No. of complaints not resolved / no action taken	Nil
c)	No. of pending Share transfers as on 18th May, 2011	Nil

Name and designation of Compliance Officer :

Mr. N. K. Khurana, Vice President (Finance)-cum-Company Secretary

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

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(Formerly ROSSELL TEA LIMITED)

6. General Body Meetings :

Location and time where last three AGMs were held :

Date	Location	Time
28.07.2008	Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017	3.00 p.m.
31.07.2009	- Do -	4.00 p.m.
29.07.2010	Gyan Manch, 11, Pretoria Street, Kolkata – 700 071	3.30 p.m.

No resolution was passed with the use of Postal Ballots in the last Annual General Meeting.

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

- a) In the Annual General Meeting held on 28th July, 2008:- Approval of the Members obtained i) under Sections 198, 269, 309 and 310 of the Companies Act, 1956 for appointment of Mr. C. S. Bedi, as Managing Director for a period of three years from 1st October, 2007 to 30th September, 2010; ii) under Section 314 of the Companies Act, 1956 for appointment of Mr. Rishab Mohan Gupta being a relative of Mr. H. M. Gupta as Manager (Project) with effect from 1st January, 2008 and iii) under Section 81(1A) of the Companies Act, 1956 for issue and allotment of 10,25,000 Equity Shares of Rs.10 each at a price of Rs.100 per Equity Share to Foreign Institutional Investors on Preferential Allotment basis as per SEBI (Disclosure and Investor Protection) Guidelines, 2000.
- b) In the Annual General Meeting held on 31st July, 2009:- Approval of the Members obtained i) under Sections 198, 269, 309 and 310 of the Companies Act, 1956 for appointment of Mr. H. M. Gupta, as Executive Chairman for a period of three years from 1st May, 2009 to 30th April, 2012 and ii) under Section 314 and other application provisions of the Companies Act, 1956 for appointment of Mr. Rishab Mohan Gupta as General Manager (Projects) with effect from 1st August, 2009, subject to approval of the Central Government.
- c) In the Annual General Meeting held on 29th July, 2010:- Approval of the Members obtained under Sections 198, 269, 309 and 310 of the Companies Act, 1956 for re-appointment of Mr. C. S. Bedi, as Managing Director for a period of three years from 1st October, 2010 to 30th September, 2013.

The following Special / Ordinary Resolutions were passed by the Members through Postal Ballots during the year under review:

- a) By Special Resolutions passed by way of Postal Ballot on 6th December, 2010, the Object Clause of the Memorandum of Association of the Company was altered pursuant to the provisions of Section 17 of the Companies Act, 1956 and consent of the Members obtained under Section 149(2A) of the Companies Act, 1956 empowering the Board of Directors of the Company to commence and carry all or any of the activities as so newly inserted.
- b) By Ordinary Resolutions passed by way of Postal Ballot on 21st December, 2010, consent of the Members obtained pursuant to the provisions of Section 94 of the Companies Act, 1956, for sub-division of each Equity Share having the nominal value of Rs.10 each into the 5 Equity Shares having the nominal value of Rs.2 each.
- c) By Special Resolutions passed by way of Postal Ballot on 7th April, 2011, consent of the Members obtained pursuant to the provisions of Section 21 of the Companies Act, 1956, for change in the name of the Company from Rossell Tea Limited to ROSSELL INDIA LIMITED, subject to approval from the Central Government.

7. Other Disclosures :

A. Related party transactions :

Disclosures on materially significant related party transactions: The Company has not entered into any transactions of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company. The transactions undertaken during the year have been disclosed in Note 10 of Schedule 18 forming part of the Accounts for the year ended 31st March, 2011.

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

C. Non-Mandatory requirements : The Company has not yet adopted the Whistle Blower Policy and other non-mandatory requirements. However, the employees of the Company have readily access to the members of the Audit Committee. The Remuneration Committee was formed on 3rd May, 2002 and has been functional since then as stated in Clause 4 above. There has been no qualification/ adverse remark by the Auditors in their Audit Report for the year.

D. Mandatory requirements : The CEO and CFO placed the required certificate before the Board certifying, inter alia, the authenticity of the Financial Statements and Cash Flow Statement for the year ended 31st March, 2011. All other mandatory requirements have been duly complied with, to the extent applicable.

E. Declaration of compliance with the Code of Conduct

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company on 25th April, 2005. All the Directors and Senior Management personnel affirm compliance with the said Code of Conduct on an annual basis. The Code of Conduct has been posted on the website of the Company, www.rosselltea.com.

F. Code for Prevention of Insider Trading

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), the Company has formulated a Code of Conduct, termed as "Rossell Tea Ltd. Code of Conduct for prohibition of Insider Trading" in terms of the above regulations, with effect from 24th October, 2002. The Board has appointed Mr. N. K. Khurana, Vice President (Finance)-cum-Company Secretary, as the Compliance Officer under the Code responsible for its implementation under the supervision of Shareholders' Grievance and Share Transfer Committee.

8. Means of Communication :

- a) Quarterly results and the half-yearly results are published in leading newspapers such as Business Standard and/or The Economics Times (English) (all editions) and Aajkal (Bengali) (Kolkata).
- b) Company's Website: **www.rosselltea.com**. Results are also sent to the Stock Exchanges for display on their Websites.
Company's E-mail address: **corporate@rosselltea.com**
- c) Management discussion and Analysis Report are covered by the Directors' Report.
- d) No presentation was made to any Institutional Investor or Analyst during the year.

9. General Shareholders' Information :

- (a) AGM date, time and venue :
11th August, 2011 at 2.30 P.M.
Kala Kunj, 48, Shakespeare Sarani, Kolkata - 700 017

ROSSELL INDIA LIMITED
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- (b) Financial calendar & Publication of Results :
The Financial Year of the Company is April to March.

Publication of Results are as follows :

Period	Approval by the Board of Directors
1st quarter ended 30th June, 2010	On 29.07.2010
2nd quarter ended 30th September, 2010	On 02.11.2010
1st Half: April – September, 2010	On 02.11.2010
3rd quarter ended 31st December, 2010	On 24.01.2011
Final Audited Results for the Year including for the 4th quarter ended 31st March, 2011	On 18.05.2011

- (c) **Book Closure period :**
6th August, 2011 to 11th August, 2011 (both days inclusive)

- (e) **Listing on Stock Exchanges :**

The Company's securities are listed at :

1. Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
2. The Calcutta Stock Exchange Ltd., 7, Lyons Range, Kolkata-700 001
3. The Gauhati Stock Exchange Ltd., 2nd Floor, Shine Towers, S. J. Road, Arya Chowk, Rehabari, Guwahati-781 008.

Listing Fees as prescribed, have been paid to all the aforesaid Stock Exchanges upto the Financial Year 2011-2012.

Scrip Code :

Stock Exchange	Scrip Code
Bombay Stock Exchange Ltd.,	533168
The Calcutta Stock Exchange Ltd.	10028199
The Gauhati Stock Exchange Ltd.	GGL

- (f) **Stock Price Data :**

There was no transaction of the Equity Shares of the Company at The Calcutta Stock Exchange Limited and The Gauhati Stock Exchange Limited during the year ended 31st March, 2011. The last trading took place on The Calcutta Stock Exchange on 26th February, 2003.

The Company's Equity Shares were admitted for Listing on Bombay Stock Exchange Limited on 16th March, 2010 and are being traded there regularly. The Month wise Stock Price Data for the period from 1st April, 2010 to 31st March, 2011 is given below, duly adjusted for sub-division of Equity Shares of the Company from the nominal value of Rs.10 each to the nominal value of Rs.2 each with effect from 22nd January, 2011:

ROSSELL INDIA LIMITED
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(Rs.)

Month	High	Low
April, 2010	73.87	29.30
May, 2010	77.56	50.00
June, 2010	52.05	46.56
July, 2010	52.77	45.20
August, 2010	53.85	48.77
September, 2010	66.38	51.60
October, 2010	163.50	66.27
November, 2010	189.15	118.17
December, 2010	120.66	82.82
January, 2011	108.09	72.10
February, 2011	69.30	49.75
March, 2011	59.70	49.65

(g) Share Transfer System:

The Company's Equity Shares are compulsorily traded in the demat form with effect from 29th January, 2001 for all categories of shareholders. All transfers are routed through the respective Accounts maintained with the Depository Participants (DPs) of the Investor.

New Code No. allotted by NSDL/CDSL: (ISIN) INE 847C01020
(after Sub- division in to Equity Shares of nominal value of Rs. 2 each)

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

(h) Registrars and Share Transfer Agents :

CB Management Services Private Limited, Kolkata are acting as the Registrars and Share Transfer Agents, including Depository Registrars for the Equity Shares of the Company.

(i) Dematerialization of Shares :

As on 31st March, 2011, 3,56,87,129 Nos. of Equity Shares, representing 97.2495% of the Equity Capital have been dematerialised.

(j) (i) Distribution of shareholding as on 31st March, 2011

Range (No. of shares)	No. of Shareholders	%	No. of Shares held	%
1 to 500	5,670	90.26	8,88,446	2.42
501 to 1000	383	6.10	2,64,329	0.72
1001 to 2000	87	1.38	1,21,715	0.33
2001 to 3000	45	0.72	1,15,524	0.32
3001 to 4000	9	0.14	33,416	0.09
4001 to 5000	12	0.19	57,325	0.16
5001 to 10000	24	0.38	1,91,236	0.52
10001 & higher	52	0.83	3,50,24,484	95.44
TOTAL	6,282	100.00	3,66,96,475	100.00

ROSSELL INDIA LIMITED
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(ii) Shareholding pattern as at 31st March, 2011

Category	No. of Shareholders	No. of Shares held	% to Equity Share Capital
Non-Resident Individuals	15	1,845	0.01
Foreign Institutional Investors	2	51,20,000	13.95
Financial Institutions *	7	1,260	0.00
Mutual Funds & UTI	2	1,50,010	0.41
Directors & their relatives	6	22,96,920	6.26
Resident Individuals	6,065	33,30,116	9.07
Nationalised Banks	2	90,150	0.25
Other Bodies Corporate	183	2,57,06,174	70.05
Total	6,282	3,66,96,475	100.00

* FI includes Insurance Company and other Banks.

(K) Plant Locations:

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

Dist. Dibrugarh	Dist. Tinsukia	Dist. Nalbari	Dist. Golaghat
Dikom, Romai	Nokhroy	Nagrijuji	Bokakhat

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

(I) Address for correspondence :

Registrars and Share Transfer Agents including Depository Registrar

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

Compliance Officer

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

For and on behalf of the Board

Place : Kolkata
Date : 18th May, 2011

H. M. Gupta
Executive Chairman

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

TO THE MEMBERS OF ROSSELL INDIA LIMITED (Formerly ROSSELL TEA LIMITED)

We have examined the compliance of conditions of Corporate Governance by Rossell India Limited (Formerly Rossell Tea Limited) for the year ended 31st March, 2011 as stipulated in Clause 49 (Revised) of the Listing Agreement of the said Company with Stock Exchanges.

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

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance and Share Transfer Committee.

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

For **S. S. Kothari & Co.**
Chartered Accountants
(Registration No. 302034E)

Place : Kolkata
Date : 18th May, 2011

R. K. Roy Chaudhury
Partner
Membership No.8816

Declaration

It is hereby declared that the Company has obtained affirmation from all members of the Board and Senior Management that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the year 2010-2011 and shall comply with such Code during the year 2011-2012.

Place : Kolkata
Date : 18th May, 2011

H. M. Gupta
Chief Executive Officer

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

CEO and CFO Certification

The Board of Directors
Russell India Ltd.
Jindal Towers,
Block 'B', 4th Floor,
21/1A/3, Darga Road,
Kolkata – 700 017

Dear Sirs,

We hereby certify to the Board that:

- a) We have reviewed Financial Statements and Cash Flow Statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material factor or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee significant changes in internal control, if any during the year.

Yours faithfully,

H. M Gupta
Chief Executive Officer

Place : Kolkata
Date : 18th May, 2011

N. K. Khurana
Chief Finance Officer

Auditors' Report

To the Members of Rossell India Limited (Formerly Rossell Tea Limited)

We have audited the attached Balance Sheet of Rossell India Limited (Formerly Rossell Tea Limited) as at 31st March, 2011, the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

We report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of books.
3. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account.
4. In our opinion, the Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011,
 - (b) in the case of the Profit and Loss Account of the profit for the year ended on that date and
 - (c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.
7. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Government of India under Section 227(4A) of the Companies Act, 1956 (the Act) and on the basis of such checks as we considered appropriate, we further state that :
 - i.
 - (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its Fixed Assets.
 - (b) As explained to us, these fixed assets have been physically verified by the management during the year which in our opinion is reasonable having regard to size of the Company and nature of its business. No material discrepancies were noticed on such verification as compared to book records.
 - (c) Substantial part of the Fixed Assets have not been disposed off during the year.
 - ii.
 - (a) The inventory excluding materials in transit and those lying with third parties have been physically verified by the management during the year, at reasonable intervals.
 - (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

ROSSELL INDIA LIMITED
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- (c) The Company is maintaining proper record of inventory. The discrepancies noticed on verification of stocks as compared to book records were not material and these have been properly dealt with in the books of account.
- iii.
 - (a) The Company has not granted during the year any loans secured or unsecured to any company, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, except to a Subsidiary Company, to whom an unsecured loan to the tune of Rs.22.10 lacs has been granted and the year end balance of the said loan is also Rs.247.10 lacs. The maximum amount due at any time during the year in respect of said loan amounts to Rs.268.00 lacs.
 - (b) The Rate of Interest and other terms and conditions of such unsecured loan in our opinion are not prima facie pre-judicial to the Interest of the Company.
 - (c) There is no stipulation with regard to repayment of principal, which is payable on demand. The Interest thereon is generally being paid on quarterly basis.
 - (d) Therefore, no overdue amount has arisen as no demand for repayment of the principal has been made by the Company.
 - (e) The Company has taken unsecured loans from three other Companies and from the Chairman and the Managing Director covered in the Register maintained under Section 301 of the Companies Act, 1956. The year end balance of loan taken from such parties was Rs.46.00 lacs and the maximum amount involved during the year was Rs.1,544.10 lacs.
 - (f) The rate of interest and terms and conditions on which unsecured loans have been taken from Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 are, in our opinion, not prima facie prejudicial to the interest of the Company.
 - (g) There is no stipulation with regard to repayment of principal and payment of interest on unsecured loans. However, the Company is paying interest amount generally on quarterly / monthly basis.
- iv. In our opinion and according to the explanations given, internal control procedures for the purchase of inventory and fixed assets and for the sale of goods and services are commensurate with the size of the Company and nature of its business. During the course of audit, we have not noticed any continuing failure to correct the major weaknesses in internal control system.
- v.
 - (a) According to the information and explanations given to us, the particulars of contract or arrangement referred to in Section 301 of the Companies Act, 1956 have been so entered in the Register maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted Deposits from the Public within the meaning of Section 58A and Section 58AA of the Companies Act, 1956 and the Rules framed thereunder.
- vii. The Internal Audit system in existence is commensurate with the size of the Company and nature of its business.
- viii. The Central Government has prescribed for the maintenance of cost records under Clause (d) of sub-sec. (1) of Sec.209 of the Companies Act, 1956. We have broadly reviewed the records and Accounts maintained by the Company. We are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of such records.
- ix.
 - (a) According to the information and explanation given to us and on the basis of records of the Company examined by us, we are of the opinion that the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education

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protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

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

- (b) According to the information and explanation given and records examined by us, there are no dues of customs duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute except for Central Sales Tax in Assam. The details are as follows :
- Appeal before the Assam Board of Revenue, Assam for Rs.474.78 lacs on account of rejection of 'F' Forms furnished under Central Sales Tax, 1956 in respect of the year 2003-2004.
 - x. The Company has no accumulated losses at the end of the Financial Year. The Company has not incurred cash losses during the financial year covered by our report or in the immediately preceding financial year.
 - xi. According to the information and explanations given and on the basis of records examined by us, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company has not taken loan from any financial institution or raised any money through issue of Debentures.
 - xii. The Company has not granted loans and advances on the basis of Security by way of pledge of shares, debentures and other securities.
 - xiii. In our opinion, the Company is not a chit fund or a *nidhi* / mutual benefit fund/society. Therefore, provisions of special statute applicable to chit fund or a *nidhi* or mutual benefit fund / society are not applicable to the Company.
 - xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
 - xv. The Company has given guarantee for non-fund based facilities provided to a Subsidiary Company by a Bank. Terms and conditions of such guarantee prima facie are not prejudicial to the interest of the Company.
 - xvi. According to information and explanations given to us and on overall basis, in our opinion the term loans taken have been applied for the purpose for which they were obtained.
 - xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
 - xviii. During the year no preferential allotment of shares has been made by the Company to parties / companies contained in the Register maintained under Section 301 of the Companies Act, 1956.
 - xix. During the period covered by our audit, the Company has not issued any debentures.
 - xx. The Company has not raised money by Public Issue during the year.
 - xxi. During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted practices and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor we have been informed of any such case by the management.

For **S. S. Kothari & Co.**
Chartered Accountants
(Registration No.302034E)

R. K. Roy Chaudhury
Partner
Membership No. 8816

Place : Kolkata
Date : 18th May, 2011

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Balance Sheet as at 31st March, 2011

	<u>Schedule</u>	<u>As at 31.03.2011</u> <u>Rs.</u>	<u>As at 31.03.2010</u> <u>Rs.</u>
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	7,33,92,950	7,33,92,950
Reserves and Surplus	2	1,43,58,59,761	1,26,73,78,006
		<u>1,50,92,52,711</u>	<u>1,34,07,70,956</u>
Loan Funds			
Secured Loans	3	13,02,63,171	15,28,81,421
Unsecured Loans	4	46,00,000	11,84,31,086
		<u>13,48,63,171</u>	<u>27,13,12,507</u>
Deferred Tax Liability (Net)		<u>52,00,000</u>	<u>47,00,000</u>
T O T A L		<u>1,64,93,15,882</u>	<u>1,61,67,83,463</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	1,26,88,10,019	1,24,91,76,349
Less: Depreciation		<u>15,24,32,894</u>	<u>12,73,60,793</u>
Net Block		1,11,63,77,125	1,12,18,15,556
Capital Work-in-Progress		15,41,606	29,04,039
		<u>1,11,79,18,731</u>	<u>1,12,47,19,595</u>
Investments	6	35,64,63,654	34,81,61,614
Current Assets, Loans and Advances			
Inventories	7	3,56,81,001	2,41,37,277
Sundry Debtors	8	2,71,32,967	40,36,645
Cash and Bank Balances	9	3,91,14,859	7,16,30,242
Other Current Assets	10	2,34,33,520	2,30,15,662
Loans and Advances	11	14,30,66,316	12,13,63,212
		<u>26,84,28,663</u>	<u>24,41,83,038</u>
Less : Current Liabilities and Provisions			
Current Liabilities	12	7,15,96,418	8,68,08,382
Provisions	13	2,18,98,748	1,34,72,402
		<u>9,34,95,166</u>	<u>10,02,80,784</u>
Net Current Assets		<u>17,49,33,497</u>	<u>14,39,02,254</u>
T O T A L		<u>1,64,93,15,882</u>	<u>1,61,67,83,463</u>
Notes on Accounts	18		

Schedules 1 to 13 and Schedule 18 referred to above form an integral part of the Balance Sheet

In terms of our Report of even date

For S. S. Kothari & Co.
Chartered Accountants
(Registration No. 302034E)

R. K. Roy Chaudhury
Partner

H. M. Gupta
Executive Chairman

Dr. S. S. Bajjal
H. M. Parekh
P. L. Agarwal
V. P. Agarwal
Directors

N. K. Khurana
Vice President (Finance)-
Cum- Company Secretary

Place : Kolkata
Date : 18th May, 2011

C.S.Bedi
Managing Director

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Profit and Loss Account for the year ended 31st March, 2011

	<u>Schedule</u>	<u>Rs.</u>	<u>2010-2011</u>	<u>2009-2010</u>
			<u>Rs.</u>	<u>Rs.</u>
INCOME				
Sales			68,25,18,483	68,20,43,010
Receipts for Technical and Support Services			7,68,06,899	8,25,98,240
Other Income	14		2,85,72,166	2,20,64,687
			78,78,97,548	78,67,05,937
EXPENDITURE				
(Increase)/Decrease in Stock	15		(61,12,255)	(48,23,580)
Expenses	16		52,04,95,109	50,24,92,210
Interest	17		1,38,34,350	2,27,10,919
Depreciation		2,50,82,069		
Less : Depreciation on amount added on revaluation (Note 2)		70,72,277	1,80,09,792	1,64,17,164
			54,62,26,996	53,67,96,713
PROFIT BEFORE TAXATION			24,16,70,552	24,99,09,224
Provision for Current Taxation			4,85,00,000	5,00,00,000
Deferred Taxation Adjustment (Note 11)			5,00,000	68,00,000
PROFIT AFTER TAXATION			19,26,70,552	19,31,09,224
Balance brought forward			4,74,11,172	2,14,75,164
PROFIT AVAILABLE FOR APPROPRIATION			24,00,81,724	21,45,84,388
APPROPRIATION				
Transfer to General Reserve			18,00,00,000	15,00,00,000
Dividend on Equity Shares				
Interim Paid			-	73,39,295
Final Proposed			1,46,78,590	73,39,295
Tax on Dividend			24,37,930	24,94,626
Balance carried forward			4,29,65,204	4,74,11,172
			24,00,81,724	21,45,84,388
Earnings per Equity Share (Basic and Diluted)			5.25	5.26

Notes on Accounts 18

Schedules 14 to 18 referred to above form an integral part of the Profit and Loss Account

In terms of our Report of even date

For S. S. Kothari & Co.
Chartered Accountants
(Registration No. 302034E)

R. K. Roy Chaudhury
Partner

H. M. Gupta
Executive Chairman

Dr. S. S. Baijal
H. M. Parekh
P. L. Agarwal
V. P. Agarwal
Directors

N. K. Khurana
Vice President (Finance)-
Cum-Company Secretary

Place : Kolkata
Date : 18th May, 2011

C.S.Bedi
Managing Director

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Schedules to the Balance Sheet

	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.
SCHEDULE 1		
CAPITAL		
Authorised		
4,50,00,000 Equity Shares of Rs. 2 each (2010 - 90,00,000 Equity Shares of Rs. 10 each)	9,00,00,000	9,00,00,000
Issued and Subscribed		
3,66,96,475 Equity Shares of Rs. 2 each fully paid up (2010 - 73,39,295 Equity Shares of Rs. 10 each fully paid up)	7,33,92,950	7,33,92,950

Notes :

1. Of the above 1,51,78,585 Equity Shares of Rs. 2 each (2010-30,35,717 Equity Shares of Rs.10 each) were issued for consideration other than cash and 88,88,890 Equity Shares of Rs. 2 each (2010-17,77,778 Equity Shares of Rs. 10 each) were issued by way of conversion of 4,00,000 9% Redeemable Preference Shares of Rs. 100 each.
2. Of the above 2,31,63,795 Equity Shares of Rs. 2 each (2010-46,52,509 Equity Shares of Rs. 10 each) are held by BMG Enterprises Ltd., the Holding Company.

SCHEDULE 2

RESERVES AND SURPLUS

Securities Premium Account

Balance as per last Account

26,09,54,823

26,09,54,823

Capital Reserve

Balance as per last Account

2,25,45,443

2,25,45,443

Revaluation Reserve

Balance as per last account

52,99,64,389

53,31,20,237

Less : Withdrawal on account of depreciation on
incremental amounts upon revaluation (Note 2)

70,72,277

31,55,848

52,28,92,112

52,99,64,389

General Reserve

Balance as per last Account

40,65,02,179

25,65,02,179

Add : Transfer from Profit and Loss Account

18,00,00,000

15,00,00,000

58,65,02,179

40,65,02,179

Surplus in Profit and Loss Account

4,29,65,204

4,74,11,172

1,43,58,59,761

1,26,73,78,006

ROSSELL INDIA LIMITED
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SCHEDULE 3	As at 31.03.2011	As at 31.03.2010
SECURED LOANS	Rs.	Rs.
From Banks		
Foreign Currency Term Loan		
External Commercial Borrowing from The Bank of Beirut (U.K.) Ltd. [Secured by equitable mortgage of Dikom T.E. pari passu with State Bank of India]	-	4,51,40,000
Rupee Term Loan		
Term Loan from HDFC Bank Ltd. [Secured by hypothecation of tea crop and movable assets of Nokhroy, Nagrijuli and Romai T.Es.and collaterally secured by equitable mortgage of Nokhroy T.E. and Romai T.E.]	10,00,00,000	9,00,00,000
Car Loan from HDFC Bank Ltd (Secured by hypothecation of Motor Car financed by them)	-	41,22,097
Cash Credit Accounts		
HDFC Bank Ltd. [Secured by hypothecation of tea crop and movable assets of Nokhroy, Nagrijuli and Romai T.Es.and collaterally secured by equitable mortgage of Nokhroy T.E. and Romai T.E.]	62,30,217	41,34,230
State Bank Of India [Secured by hypothecation of tea crop and movable assets of Dikom T.E. and collaterally secured by equitable mortgage of Dikom T.E. pari passu with The Bank of Beirut (U.K.) Ltd.]	6,449	71,11,982
Axis Bank Limited [Secured by hypothecation of tea crop and movable assets of Bokakhat T.E.and collaterally secured by equitable mortgage of Bokakhat T.E.]	39,58,192	23,73,112
Development Credit Bank Limited [Secured by hypothecation of tea crop and movable assets of Dikom T.E.]	2,00,68,313	-
	13,02,63,171	15,28,81,421
SCHEDULE 4		
UNSECURED LOANS		
Intercorporate Deposits	14,50,000	3,92,60,307
Loan from Managing Director (Executive Chairman)	31,50,000	7,76,35,000
Interest accrued and due thereon	-	15,35,779
	46,00,000	11,84,31,086

ROSSELL INDIA LIMITED
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SCHEDULE - 5

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost /Revalued As at 31.03.2010	Additions During the Year	Disposal During the Year	As at 31.03.2010	Additions for the Year	Written back / Adjustments during the Year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land and Planted Teas	66,55,99,252	1,73,130	-	-	-	-	-	66,57,72,382	66,55,99,252
Buildings	29,51,06,298	39,19,225	-	2,82,80,553	60,69,756	-	3,43,50,309	26,46,75,214	26,68,25,745
Plant and Machinery	21,99,18,341	56,43,553	11,72,020	7,37,38,244	1,29,68,800	-	8,67,07,044	13,76,82,830	14,61,80,097
Furniture and Fittings	1,63,00,150	1,06,624	-	59,63,409	10,29,301	-	69,92,710	94,14,064	1,03,36,741
Vehicles	3,72,27,174	83,62,899	-	1,39,55,878	34,94,663	-	1,74,50,541	2,81,39,532	2,32,71,296
Office and Other Equipments	1,50,25,134	26,26,959	26,700	54,22,709	15,19,546	9,965	69,32,290	1,06,93,103	96,02,425
Total	1,24,91,76,349	2,08,32,390	11,98,720	12,73,60,793	2,50,82,066	9,965	15,24,32,894	1,11,63,77,125	1,12,18,15,556
Previous Year	1,18,88,03,271	6,09,70,908	5,97,830	10,78,27,627	1,95,73,012	39,846	12,73,60,793	1,12,18,15,556	

Note : Disposal during the year under Plant and Machinery represents Rs. 11,72,020 (2010 - Rs. 4,83,260) received from Tea Board towards Subsidy against Fixed Assets added during earlier years.

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SCHEDULE 6

INVESTMENTS

At Cost

Long Term Investments

Trade Investments: Unquoted

In Shares, Debentures or Bonds

Sigma Microsystems Private Limited (Subsidiary Company)

562,500 (2010 -562,500) Equity Shares of

Rs. 10 each fully paid up

2,25,56,251

2,25,56,251

Rossell Aviation Private Limited (Subsidiary Company)

10,000 (2010 -10,000) Equity Shares of Rs. 10 each fully paid up

1,00,250

1,00,250

50,000 (2010- 50,000) Equity Shares of Rs.10 each

fully paid up of Assam Hospitals Limited

5,00,000

5,00,000

99,962 (2010- 99,962) Equity Shares of Rs.1 each

fully paid up of Celsia Hotels Private Limited

15,01,27,962

15,01,27,962

1,444,500 (2010- 1,444,500) Equity Shares of Rs.1 each

fully paid up of PSK Resorts & Hotels Private Limited

3,90,01,500

3,90,01,500

1,050,150 (2010-840,150) Equity Shares of Rs.1 each

fully paid of Hyacinth Hotels Private Limited

10,50,15,000

8,40,15,000

361,007 (2010- 360,907) Equity Shares of Singapore \$ 1 each

fully paid up of RV Enterprizes Pte. Ltd.

1,20,04,532

1,20,01,177

400,000 (2010- 400,000) Non-Cumulative Redeemable Preference
Shares of US Dollar 1 each fully paid up of RV Enterprizes Pte. Ltd.

1,83,48,000

1,83,48,000

Other Investments: Unquoted

In Shares, Debentures or Bonds

500 (2010-500) 5.50% Non-Convertible Redeemable Taxable Bonds

Series of Rs. 10,000 each of Rural Electrification Corporation Ltd.

-

50,00,000

In Units

Face value Rs.10 each

150,000 (2010-150,000) Sundaram BNP Paribas Energy Opportunities

Fund- Dividend

15,00,000

15,00,000

Other Investments : Quoted

In Shares, Debentures or Bonds

Fully Paid Equity Shares of Rs.10 each

13,840 (2010-13,840) Mysore Petro Chemicals Limited

7,49,793

7,49,793

Nil (2010-1,844) HDFC Bank Ltd.

-

29,28,327

1,250 (2010-1,250) ICICI Bank Ltd.

9,39,024

9,39,024

7,000 (2010-7,000) Power Grid Corporation of India Ltd.

9,04,890

9,04,890

Nil (2010-2,000) Infrastructure Development Finance Co. Ltd.

-

2,76,272

2,972 (2010-5,472) NTPC Ltd.

6,83,635

12,58,701

Nil (2010-100) State Bank of India

-

1,67,137

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			As at 31.03.2011	As at 31.03.2010
			Rs.	Rs.
849	(2010-849)	CESC Ltd.	2,75,883	2,75,883
552	(2010-552)	Gujrat Narmada Fertiliser Ltd.	82,999	82,999
357	(2010-238)	Rallis India Ltd.	98,808	98,808
3,309	(2010-3,309)	PTC India Ltd.	3,42,496	3,42,496
221	(2010-221)	United Spirits Ltd.	1,93,829	1,93,829
390	(2010-390)	Aditya Birla Nuvo Ltd.	3,48,271	3,48,271
181	(2010-181)	GAIL (India) Ltd.	56,894	56,894
1,000	(2010-1,000)	Indian Oil Corporation Ltd.	2,90,695	2,90,695
Nil	(2010-180)	Oil & Natural Gas Corporation Ltd.	-	1,98,209
50	(2010- Nil)	Agre Developers Ltd.	-	-
Fully Paid Equity Shares of Rs.5 each				
2,138	(2010-2,138)	Network 18 Media & Investments Ltd.	7,10,792	7,10,792
720	(2010-Nil)	Oil & Natural Gas Corporation Ltd.	1,98,209	-
800	(2010-800)	Bharti Airtel Ltd.	3,38,296	3,38,296
Fully Paid Equity Shares of Rs.2 each				
1,000	(2010-7,500)	GMR Infrastructure Ltd.	89,760	6,73,200
Nil	(2010-4,500)	Jaiprakash Associates Ltd.	-	10,26,540
Nil	(2010-1,200)	Larsen & Toubro Ltd.	-	18,36,456
Nil	(2010-700)	Punj Lloyd Ltd.	-	3,08,077
1,018	(2010-1,018)	Pantaloon Retail (India) Ltd.	3,07,652	3,07,652
2,546	(2010-2,546)	Gujarat Mineral Development Corpn. Ltd	2,52,008	2,52,008
Fully Paid Equity Shares of Rs.1 each				
1,476	(2010-1,476)	Godrej Industries Ltd.	2,35,930	2,35,930
6,262	(2010-3,131)	ITC Ltd	6,24,604	6,24,604
5,425	(2010- 5,425)	Mercator Lines Ltd.	3,09,880	3,09,880
			35,71,87,843	34,88,85,803
Less : Provision for diminution in the value of Investments			7,24,189	7,24,189
			35,64,63,654	34,81,61,614
Aggregate Book value (Net of Provisions)				
Quoted Investments			73,10,159	1,57,35,662
Unquoted Investments			34,91,53,495	33,24,25,952
			35,64,63,654	34,81,61,614
Market Value of Quoted Investments			79,73,082	1,57,35,959

ROSSELL INDIA LIMITED
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SCHEDULE 7	As at 31.03.2011	As at 31.03.2010
INVENTORIES	Rs.	Rs.
Stock of Tea at lower of cost and net realisable value	1,57,65,211	1,03,40,460
Stock of Stores & Spares at or under cost	1,65,95,939	1,17,71,332
Stock of Raw Materials at cost	7,62,347	1,55,485
Work-in-progress at works cost	25,57,504	18,70,000
	<u>3,56,81,001</u>	<u>2,41,37,277</u>
 SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured , Considered Good		
Debts outstanding for a period exceeding six months	6,27,783	15,77,171
Other Debts	2,65,05,184	24,59,474
	<u>2,71,32,967</u>	<u>40,36,645</u>
 SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in Hand	6,56,334	9,21,239
With Scheduled Banks		
on Current Accounts	28,07,812	50,14,715
on Fixed Deposit Accounts	3,50,00,000	-
on EEFC Account in USD	37	38
on EEFC Account in Euro	80,605	6,53,58,642
on EEFC Account in GBP	-	66,605
on Margin Money Account	2,18,653	-
on Unpaid Dividend Accounts	3,51,418	2,69,003
	<u>3,91,14,859</u>	<u>7,16,30,242</u>
 SCHEDULE 10		
OTHER CURRENT ASSETS		
Interest Accrued on Deposits	44,05,294	26,48,532
Other Receivables	1,90,28,226	2,03,67,130
	<u>2,34,33,520</u>	<u>2,30,15,662</u>
 SCHEDULE 11		
LOANS & ADVANCES		
Unsecured , Considered Good		
Advances for Capital Assets	2,93,41,677	2,44,70,139
Intercorporate Deposits	3,47,10,000	2,58,00,000
Advances recoverable in cash or in kind or for value to be received	1,25,62,704	2,55,95,168
Deposits	6,64,51,935	4,54,97,905
	<u>14,30,66,316</u>	<u>12,13,63,212</u>

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SCHEDULE 12	As at 31.03.2011	As at 31.03.2010
CURRENT LIABILITIES	Rs.	Rs.
Sundry Creditors	1,34,27,431	1,94,84,684
Other Liabilities	5,72,05,322	6,65,01,521
Interest Accrued but not Due	6,12,247	5,53,175
Unpaid Dividend *	3,51,418	2,69,002
	<u>7,15,96,418</u>	<u>8,68,08,382</u>

* Investor Education and Protection Fund shall be credited by this Amount, when due.

SCHEDULE 13		
PROVISIONS		
Provision for Taxation (Net)	47,82,228	48,85,794
Proposed Dividend	1,46,78,590	73,39,295
Tax on Dividend	24,37,930	12,47,313
	<u>2,18,98,748</u>	<u>1,34,72,402</u>

Schedules to the Profit and Loss Account

	2010-2011	2009-2010
	Rs.	Rs.
SCHEDULE 14		
OTHER INCOME		
Interest		
On Intercorporate Deposits	33,25,122	30,37,811
[Tax deducted at source Rs.332,512 {2010-Rs.405,169}]		
On Other Deposits and Bonds	27,72,827	22,08,595
[Tax deducted at source Rs.273,593 {2010-Rs.193,360}]		
On Fixed Deposits with Banks	5,86,986	66,84,935
[Tax deducted at source Rs. 58,698 {2010- Nil}]		
Dividend	2,19,520	1,58,510
Gain on Exchange (Net)	33,84,595	2,57,217
Subsidy - Replanting	11,83,648	9,88,706
Tea Board Orthodox Subsidy Scheme	89,45,698	87,13,732
Sale of DEPB Licence	70,42,229	55,84,095
Profit on Sale of Investments (Net)	3,56,586	-
Sundry Receipts	7,54,955	11,16,021
	<u>2,85,72,166</u>	<u>2,20,64,687</u>

SCHEDULE 15		
(INCREASE)/DECREASE IN STOCK		
Opening Stock Of Tea/Work-in-Progress	1,22,10,460	73,86,880
Less: Closing Stock Of Tea/Work-in-Progress	1,83,22,715	1,22,10,460
	<u>(61,12,255)</u>	<u>(48,23,580)</u>

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SCHEDULE 16	2010-2011	2009-2010
EXPENSES	Rs.	Rs.
Payment and benefits to employees		
Salaries, Wages and Bonus	22,25,53,118	19,72,71,393
Contribution to Provident and other Funds	2,35,89,280	2,98,76,006
Workmen and Staff Welfare	2,79,25,433	2,76,78,764
	27,40,67,831	25,48,26,163
Other Expenses		
Consumption of Stores and Spare Parts	7,24,51,434	7,18,89,450
Purchase of Green Leaf	24,85,655	14,31,493
Consumption of Raw Materials	58,08,997	8,03,857
Power and Fuel	4,70,83,691	4,49,06,631
Tea Cess	12,52,688	13,38,992
Cess on Green Leaf	68,70,146	59,58,246
Rent	53,68,051	77,98,120
Rates and Taxes (Note 6.5)	22,47,682	11,59,841
Repairs to Building	78,65,437	1,75,48,028
Repairs to Machinery	1,20,96,681	1,34,35,606
Other Repairs and Maintenance	13,80,963	35,01,429
Vehicles Maintenance	57,54,830	43,56,256
Transportation	1,12,84,467	1,12,30,633
Shipment Charges	20,45,200	15,48,231
Warehousing and Selling Expenses	1,20,34,378	1,08,62,254
Brokerage	53,89,346	51,21,521
Commission on Sales	31,45,408	38,24,729
Insurance	18,35,742	12,98,313
Directors' Fee & Commission	6,50,000	6,45,500
Auditors' Remuneration	3,55,102	3,12,840
Travelling and Conveyance	1,17,55,794	1,15,19,119
Miscellaneous Expenses	2,72,50,617	2,58,00,579
Loss on Sale of Investments	-	13,23,099
Loss on Disposal of Fixed Asset (Net)	14,969	51,280
	24,64,27,278	24,76,66,047
	52,04,95,109	50,24,92,210
SCHEDULE 17		
INTEREST		
On Bank Overdraft	9,23,458	31,71,860
On Term Loans to Banks	67,19,335	98,51,357
On Intercompany Deposits	24,92,711	49,75,819
On Unsecured Loan from Managing Director (Executive Chairman)	48,21,392	57,32,282
	1,49,56,896	2,37,31,318
Less : Interest Subsidy	11,22,546	10,20,399
	1,38,34,350	2,27,10,919

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SCHEDULE 18

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

1. Significant Accounting Policies

1.1 Basis of Accounting

The financial statements have been prepared in accordance with historical cost concept.

1.2 Fixed Assets

Fixed Assets are stated at cost of acquisition, net of subsidy received, where applicable together with resultant write up due to revaluation and depreciated on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.

The cost of Extension Planting on cultivable land including cost of development is capitalised. However, cost of upkeep and maintenance of the areas still not matured for plucking and cost of replanting in existing areas are charged to revenue.

Profit or Loss on disposal of Fixed Assets is recognized in the Profit and Loss Account.

Any Impairment Loss is recognized, if and when the carrying value of Fixed Assets of a cash generating unit exceeds its market value or value in use, whichever is higher as per Accounting Standard, AS-28, Impairment of Assets, issued by the Institute of Chartered Accountants of India.

1.3 Foreign Currency Transaction

Foreign Currency Transactions are converted and accounted for at the rates prevailing on the dates of transaction. Year-end current assets (Monetary Items) and liabilities are restated at the year-end exchange rate and resultant net gain or loss is adjusted in the Profit and Loss Account as prescribed by Accounting Standard-11, Accounting for the Effect of Changes in Foreign Exchange Rates, issued by the Institute of Chartered Accountants of India.

1.4 Investments

Investments are stated at cost of acquisition and treated as long term investments. Provision is made in case of permanent diminution in value of Investments.

Profit and Loss on sale of investments are recognized in the Profit and Loss Account for the year.

1.5 Inventories

Stock of Tea is valued at lower of cost and net realisable value and that of stores and spares is valued at or under cost.

Stock of Raw Materials and Work-in-progress have been valued at respective cost.

1.6 Staff Benefits

a) The Company operates Defined Contribution Schemes namely, Provident Fund and Superannuation Fund for certain classes of employees. Monthly contribution is made to these funds which are fully funded and administered by Trustees and are independent of Company's finance. Contributions are recognized in Profit and Loss Account on an accrual basis. The shortfall between the interest distributed to the Members of the Provident Fund in terms of the provision of the relevant Trust Deed and interest that could be distributed out of the surplus of the fund, is also being recognized in Profit and Loss Account in the year to which the shortfall relates.

b) Defined Benefit Plans like Gratuity and Pension Schemes (frozen as on 31st March, 2002) are also maintained by the Company. The Company contributes to these funds on the basis of an actuarial valuation at the end of each year. Actuarial gains and losses are recognized

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in the Profit and Loss Account. The Company also recognizes in the Profit and Loss Account gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs. Both the pension funds and gratuity fund are administered by the Trustees and are independent of Company's finance.

- c) Leave encashment liability for certain eligible employees, as determined on the basis of an actuarial valuation, is provided for at the end of each year, except where the same is actually ascertained and paid/provided for and charge is recognized in the Profit and Loss Account.

1.7 Borrowing Cost

Borrowing cost is recognized as an expense to the extent, the same has been incurred for the year, unless such cost is directly attributable to the acquisition, construction or production of a qualifying asset and capitalised as part of the cost of that asset as prescribed by Accounting Standard-16, Borrowing Cost, issued by the Institute of Chartered Accountants of India. Subsidy receivable on this account is adjusted with expense for the year, in which the claim of the Company for such subsidy gets admitted.

1.8 Revenue Recognition

Items of income and expenditure are recognized on accrual and prudent basis.

1.9 Sales

Sales represent the invoice/ account sales value of finished goods supplied, net of Sales Tax/ Value Added Tax and inclusive of insurance claims received for damage/shortage of finished goods.

1.10 Replanting Subsidy

Replanting Subsidy is recognized as income in the Profit and Loss Account in the year of receipt on prudent basis.

1.11 Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rates and laws.

Provisions for Deferred Taxation is made at the current rate of taxation, on all timing difference, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred Tax Asset/ Deferred Tax Liability is reviewed at each Balance Sheet date to reassess realization.

2. Based on the Valuation Report submitted by Professional Valuer appointed for the purpose, Land and Planted Teas, Buildings and certain items of Plant and Machinery of the Company were revalued as at 31st March, 2008 on the then current cost basis and adjusted for depreciation element as applicable. The resultant increase in net book value on such revaluation amounting to Rs. 53,65,54,617 was added to cost with corresponding credit to Revaluation Reserve as at 31st March, 2008, as under :

	Rs.
1. Plantations	31,50,99,780
2. Buildings	17,11,26,644
3. Plant and Machinery	5,03,28,193
Total :	<u>53,65,54,617</u>

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Depreciation on the aforesaid revalued Fixed Assets has also been provided on the amounts added on revaluation as per straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 and withdrawn from Revaluation Reserve amounting to Rs.70,72,277 (2010- Rs. 31,55,848) during the year. (Schedule 2).

- 3.1. The name of the Company has been changed to ROSSELL INDIA LIMITED with effect from 19th April, 2011.
- 3.2. Each Equity Shares of the Company having nominal value of Rs.10 each was sub-divided into 5 Equity Shares of Rs.2 each on and from 22nd January, 2011.
- 4.1 Estimated amount of contracts remaining to be executed on Capital Account and not provided (net of advance) for **Rs. 4,25,54,000** (2010 - Rs.2,42,52,000).
- 4.2 Estimated amount of Contingent Liabilities not provided for in respect of (a) West Bengal Sales Tax and Central Sales Tax (West Bengal) – Nil (2010- 15,75,867) (b) Central Sales Tax (Assam) – **Rs. 4,74,78,644** (2010- Rs. 4,74,78,644) (c) Income Tax **Rs. Nil** (2010-18,25,850) (d) Land Revenue, Local Rates and Surcharge payable in respect of Bokakhat T.E. – **Rs. 18,48,584** (2010- Nil).
- 4.3 The Company has provided a Corporate Guarantee to HDFC Bank Limited, Kolkata for securing the Non Fund Based Working Capital facilities to Sigma Microsystems Private Limited, Subsidiary Company to the extent of **Rs.90,00,000** (2010- Rs. 90,00,000).
- 5.1 Inter Corporate Deposits include paid to Sigma Microsystems Private Limited, Subsidiary Company **Rs. 2,47,10,000** (2010 – Rs.2,58,00,000) and interest receivable thereon **Rs. 18,14,353** (2010- Rs. 6,46,834).
- 5.2 Deposits include the balances with (a) NABARD deposited under the Tea Development Account Scheme, 1990 **Rs.3,73,06,345** (2010- Rs.3,86,15,445) (b) Assam Financial Corporation under Plantation Development Fund Scheme, 1994 **Rs. 2,12,01,000** (2010 - Rs. 1,000)

6.1 Auditors' Remuneration

	2010-2011	2009-2010
	Rs.	Rs
Audit Fees	1,98,540	1,98,540
Tax Audit Fees	27,575	22,060
For Certification Job	1,22,987	88,240
Reimbursement of Expenses	6,000	4,000
	<u>3,55,102</u>	<u>3,12,840</u>

6.2 The total remuneration paid/payable to Executive Chairman and Managing Director and charged in these accounts under various heads :

	2010-2011	2009-2010
	Rs.	Rs
Salary	43,50,000	29,65,000
Commission	68,23,369	83,66,240
Contribution to Provident and other Funds	8,65,500	9,25,550
Cost of benefits	23,05,292	15,33,202
	<u>1,43,44,161</u>	<u>1,37,89,992</u>

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6.3 Computation of Profit under Section 198 read with Section 309 of the Companies Act, 1956 for the year ended 31st March, 2011

	Rs.	Rs.
Profit before Taxation as per Profit and Loss Account		24,16,70,552
Add : Managerial Remuneration	1,43,44,161	
Directors' Fees and Commission	6,50,000	
Depreciation	1,80,09,792	
		3,30,03,953
		27,46,74,505
Less :		
Depreciation under Section 350	1,80,09,792	
		1,80,09,792
		25,66,64,713
Commission Payable to		
(a) Executive Chairman @ 5% thereof Limited to	1,28,33,236	
		68,23,369
(b) Non-Executive Directors @ 1% thereof * Limited to	25,66,647	
		5,00,000

*Subject to approval by the Members of the Company

6.4 Miscellaneous Expenses include Audit Fees payable to Cost Auditors, M/s Shome & Banerjee, Cost Accountants appointed for the Financial Year 2010-2011 as per approval letter no. 52/197/CAB/2006 dated 7th July, 2010 **Rs. 71,695** (2009-2010 Rs. 71,695). The Cost Audit Report for the Financial Year 2009-2010 was due for filing on 27th September, 2010 and the same was uploaded with MCA on 21st September, 2010.

6.5 Rates and Taxes include arrear consent fee paid to Pollution Control Board, Assam under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1984 **Rs. 8,79,045** (2010- Rs. 7,78,900) pursuant to demands raised during the year in respect of Tea Estates in Assam.

7. The relevant information pursuant to the provisions of Paragraphs 3 and 4 of Part II of Schedule VI to the Companies Act, 1956 is given below :

7.1 Rossell Tea Division – Black Tea

	2010-2011	2009-2010
7.1.1 Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity (Kgs.)	50,00,000	50,00,000
(As estimated by the Management)		
7.1.2 Saleable Production (Kgs.)	40,03,132	42,89,237
7.1.3 Opening Stock (Kgs.)	1,08,911	82,793
- Value (Rs.)	1,03,40,640	72,76,881
Sales (including claims, damages		
Samples etc.) (Kgs.)	39,64,541	42,63,119
- Value (Rs.)	67,57,36,406	68,07,17,227
Closing Stock (Kgs)	1,47,502	1,08,911
- Value (Rs.)	1,57,65,211	1,03,40,460

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	<u>2010-2011</u>	<u>2009-2010</u>
7.1.4 (i) Raw Materials Consumed (Green Leaf) (Indigenous) (Kgs) (Own cultivation) - Value (Rs.)	1,71,50,625	1,85,09,274
	Not required to be disclosed	Not required to be disclosed
(ii) Raw Materials Purchased and Consumed (Green Leaf) (Indigenous) (kgs.) - Value (Rs.)	1,61,270 24,85,655	97,326 14,31,493
7.2 Vankesh Avionics Technologies Division - Manufacturing, Design and Development of Avionics, Aviation and Electronic Equipments.		
7.2.1 Licensed Capacity Installed Capacity	Not Applicable Not Ascertainable	Not Applicable Not Ascertainable
7.2.2 Saleable Production	254 Units 312 Mtrs. 1,224 Hrs	366 Nos. 670 Mtrs. Nil
7.2.3 Opening and Closing Stock of Finished Products - Value (Rs.) Sales - Value (Rs.) Closing Stock (Raw Materials) - Value (Rs.) Closing Work-in-Progress - Value (Rs.)	Nil 254 Units 312 Mtrs. 1,224 Hrs. 67,82,077 7,62,347 25,57,504	Nil 366 Nos. 670 Mtrs. Nil 13,25,783 1,55,485 18,70,000
7.2.4. Raw Materials Consumed (Indigenous) - Value (Rs.)	58,08,997	8,03,857
Note : In view of numerous items it is not possible to provide for the required quantitative information.		
7.3 Stores and Spares Consumed and debited to various heads of Account in the Profit and Loss Account (Indigenous) (Rs.)	10,07,83,647	10,55,26,712
7.4 Expenditure in Foreign Currency (Rs.) Foreign Travel Commission on Sales Subscription Interest on Foreign Currency Term Loan (Net of TDS) Reimbursement of Legal Fee and Services Charges on Foreign Currency Term Loan (Net of TDS) Consultancy Fee (Net of TDS and Service Tax)	25,06,001 26,49,605 27,732 6,23,455 1,48,667 10,02,426	47,54,520 18,04,847 - 8,87,864 - -
7.5 Earnings in Foreign Currency (Rs.) F.O.B. Value of Export Sales Receipts for Technical and Support Services	11,65,30,232 7,68,06,899	9,89,94,147 7,07,98,440

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	2010-2011	2009-2010
7.6 Value of Imports calculated on C.I.F. Basis : (Rs.)		
Capital Goods	-	46,36,558
Raw Materials	14,35,786	28,479
8. Remittance in Foreign Currency on account of Dividend :		
Amount (Rs.)	-	2,75,000
Number of Non-Resident Shareholders	-	1
Number of Shares held by the Non-Resident Shareholders on which the Dividend was due	-	1,10,000
Year to which the Dividend relates	-	Year ended 31st March, 2009 - Rs.1,65,000 31st March, 2010 (Interim- Rs.1,10,000)
9. Segment Information for the year ended 31st March, 2011		
1. Business Segments : In terms of AS-17- Segment Reporting issued by the Institute of Chartered Accountants of India, the Company has following Business Segments as Primary Segment for disclosure.		
A. Cultivation, Manufacture and Sale of Tea		
B. Aviation Products and Services		
2. Revenue :	2010-2011	2009-2010
	Rs.	Rs.
A. Cultivation, Manufacture and Sale of Tea	69,72,95,808	70,27,38,337
B. Aviation Products and Services	9,06,01,740	8,57,16,136
	78,78,97,548	78,84,54,473
Less : Inter Segment Revenue	-	17,48,536
Total Revenue	78,78,97,548	78,67,05,937
3. Results		
A. Cultivation, Manufacture and Sale of Tea	22,07,07,432	22,79,46,109
B. Aviation Products and Services	3,47,97,470	4,46,74,034
	25,55,04,902	27,26,20,143
Less: i) Un-allocated expenses, net of un-allocated Income	-	-
ii) Interest Net of subsidy	138,34,350	2,27,10,919
Profit before Taxation	24,16,70,552	24,99,09,224
4. Segment Assets		
A. Cultivation, Manufacture and Sale of Tea	1,59,95,38,590	1,57,06,72,817
B. Aviation Products and Services	14,32,72,456	14,63,91,431
	1,74,28,11,046	1,71,70,64,248

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	2010-2011	2009-2010
	Rs.	Rs.
5. Segment Liabilities		
A. Cultivation, Manufacture and Sale of Tea	22,84,81,584	36,82,33,202
B. Aviation Products and Services	50,76,754	80,60,089
	23,35,58,338	37,62,93,291
6. Capital Expenditure		
A. Cultivation, Manufacture and Sale of Tea	1,39,45,834	4,61,71,203
B. Aviation Products and Services	68,86,556	1,07,77,212
	2,08,32,390	5,69,48,415
7. Depreciation (Net of Adjustment with Revaluation Reserve)		
A. Cultivation, Manufacture and Sale of Tea	1,59,20,985	1,47,63,762
B. Aviation Products and Services	20,88,807	16,53,403
	1,80,09,792	1,64,17,165

10. The following are the Related Party transactions undertaken by the Company during this accounting period in terms of AS-18 - Related Party Disclosures issued by the Institute of Chartered Accountants of India :

a) Name of related party and nature of relationship :

Enterprises where Control Exists	-	Sigma Microsystems Private Limited, Subsidiary Company Rossell Aviation Private Limited, Subsidiary Company (Fully Owned)
Key Management Personnel	-	Mr. H.M. Gupta, Executive Chairman Mr. C.S.Bedi, Managing Director
Holding Company	-	BMG Enterprises Limited
Enterprises over which the Key Management Personnel or their relatives have significant influence	-	BMG Investments Private Limited Harvin Estates Private Limited BMG Foundation

b) Particulars of transactions during the year ended 31st March, 2011

Nature of transaction	2010-2011	2009-2010
With Enterprises where Control exists	Rs.	Rs.
1. Net decrease in Inter Corporate Deposit	10,90,000	-
2. Net increase in Inter Corporate Deposit	-	1,67,90,000
3. Interest received / receivable on Inter Corporate Deposit	30,72,754	17,80,786
4. A Corporate Guarantee of Rs. 90,00,000 provided during the year 2009-2010 is still in force as per Note 4.3 above.		

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	2010-2011 Rs.	2009-2010 Rs.
Key Management Personnel and relatives		
1. Dividend Paid	7,46,957	18,67,392
2. Unsecured Loan taken (Net)	-	5,46,85,000
3. Unsecured Loan repaid (Net)	7,44,85,000	-
4. Interest paid on Unsecured Loans taken	48,21,392	57,32,282
5. Rent for Residential Accommodation	4,20,000	4,20,000
6. Remuneration Paid	1,43,44,161	1,37,89,992
7. Remuneration Paid to relative	14,80,000	9,40,885
Holding Company		
1. Dividend Paid	46,52,509	1,16,31,273
2. Net increase in Inter Corporate Deposit	-	1,08,50,000
3. Net decrease in Inter Corporate Deposit	3,04,60,307	-
4. Interest paid / payable on Inter Corporate Deposit	18,43,708	41,84,848
Enterprises where significant influence is Exercisable		
1. Dividend Paid	95,979	2,39,948
2. Rent Paid for Office Space	6,00,000	6,00,000
3. Rent paid for Residential Accommodation	6,00,000	4,40,000
4. Net decrease in Inter Corporate Deposit	73,50,000	24,75,000
5. Interest paid / payable on Inter Corporate Deposit	6,49,003	7,90,971
6. Contributions made for charitable purpose	7,50,000	-
11. The Company adopted the Accounting Standard AS-22 – Accounting for taxes on Income, in earlier years and recognized Deferred Tax Liability (Net) amounting to Rs. 47,00,000 as on 31st March, 2010. During the year, a review with respect to the carrying amount of Deferred Tax Liability was done and the same was enhanced to Rs. 52,00,000 as on 31st March, 2011. Thus, an amount of Rs. 5,00,000 was provided towards Deferred Taxation Adjustment in the Profit and Loss Account for the year ended 31st March, 2011. The Components of Deferred Tax Liability are as under :		
	2010-2011 Rs.	2009-2010 Rs.
Deferred Tax Liability		
Depreciation as per Books and Tax Laws	52,00,000	64,00,000
Deferred Tax Assets		
Employees' Benefits	-	17,00,000
Deferred Tax Liability (Net)	52,00,000	47,00,000
12. The Company has the following subsidiary companies as on 31st March, 2011: (a) Sigma Microsystems Private Limited (Extent of interest – 56.25%) and (b) Rossell Aviation Private Limited (Extent of interest – 100%). Accordingly, the Consolidated Financial Statement has been prepared separately in accordance with Accounting Standard AS-21 containing the required information for each of the aforesaid subsidiaries in terms of General Circular No. 2/2011 issued by the Government of India, Ministry of Corporate Affairs under Ref No. 5/12/2007-CL-III . As required in the said General Circular, the Board of Directors of the Company has by a Resolution adopted on 18th May, 2011 (a) given their consent for not attaching the annual accounts of the aforesaid two subsidiaries in respect of their Financial Year 2010-2011 with these financial statements and (b) have undertaken on behalf of the Company that the annual accounts of the subsidiaries companies and the related detailed information shall be made available to the shareholders of the Company and that of subsidiary companies seeking such information at any point of time. The annual accounts of these subsidiary companies shall be kept for inspection by any shareholders at the Registered Office of the Company at Kolkata as well as at the Registered Office of the subsidiary companies concerned.		

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13. Defined Benefit Plans

In compliance with AS-15 (Revised) - Employee Benefits issued by the Institute of Chartered Accountants of India, an Actuarial Valuations were carried out in respect of Defined Benefit Schemes namely Pension, Gratuity and Leave Encashment as on 31st March, 2011. Thus, the amount recognised in the financial statements in respect of these Schemes as per Actuarial Valuation as on March 31, 2011 are as under :

(Rs.)

	Pension - Funded		Gratuity - Funded		Leave Encashment - Non Funded	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
I Components of Employer Expense						
1 Current Service Cost	-	-	36,97,901	46,96,420	4,05,275	3,84,000
2 Interest Cost	6,28,875	6,02,000	47,21,726	1,01,24,583	1,22,762	1,22,000
3 Expected Return on Plan Assets	(5,86,178)	(4,42,000)	(46,48,715)	(33,40,278)	-	-
4 Curtailment Cost/(Credit)	-	-	-	-	-	-
5 Settlement Cost/(Credit)	-	-	-	-	-	-
6 Past Service Cost	-	(7,14,000)	7,72,000	-	-	-
7 Actuarial Losses/(Gains)	(5,11,928)	7,67,000	(24,27,701)	(12,54,147)	2,81,297	(70,000)
8 Total expense to be recognised in the Statement of Profit and Loss Account	(4,69,231)	2,13,000	21,15,211	1,02,26,578	8,09,334	4,36,000
9 Total expense actually recognised in the Statement of Profit and Loss Account	-	2,13,000	20,44,174	1,02,26,578	8,09,334	4,36,000
The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and Other Funds" and Leave Encashment in "Salaries, Wages and Bonus" under Schedule 16.						
II Net Asset/(Liability) recognised in Balance Sheet						
1 Present Value of Defined Benefit Obligation	85,82,000	83,85,000	6,71,23,000	6,61,30,098	21,83,000	19,00,000
2 Fair Value on Plan Assets	90,52,691	72,44,940	6,71,60,180	6,20,30,757	-	-
3 Status [Surplus/(Deficit)]	4,70,691	(11,40,060)	37,180	(40,99,341)	(21,83,000)	(19,00,000)
4 Unrecognised Past Service Cost	-	-	-	-	-	-
5 Net Asset/(Liability) to be recognized in Balance Sheet (Pending Funding with the Trustees)*	4,70,691	(11,40,060)	37,180	(40,99,341)	(21,83,000)	(19,00,000)
6 Net Asset/(Liability) actually recognized in Balance Sheet	-	(11,41,520)	-	(40,99,341)	(21,83,000)	(19,00,000)
* Includes Funding due for transition Period		(11,41,520)		(42,07,558)		
III Change in Defined Benefit Obligations (DBO)						
1 Present Value of DBO at the Beginning of the Year	83,85,000	82,38,000	6,61,30,098	5,88,21,646	19,00,000	18,02,000
2 Current Service Cost	-	-	36,97,901	46,96,120	4,05,275	3,84,000
3 Interest Cost	6,28,875	6,02,000	47,21,726	1,01,24,583	1,22,762	1,22,000
4 Curtailment Cost/(Credit)	-	-	-	-	-	-
5 Settlement Cost/(Credit)	-	-	-	-	-	-
6 Plan Amendments	-	(7,14,000)	7,72,000	-	-	-
7 Acquisitions	-	-	-	-	-	-
8 Actuarial (Gains)/Losses	(4,31,875)	6,77,000	(18,51,214)	(16,16,356)	2,81,297	(70,000)
9 Benefits Paid	-	(4,18,000)	(63,47,511)	(58,95,895)	(5,26,334)	(3,38,000)
10 Present Value of DBO at the End of the Year	85,82,000	83,85,000	6,71,23,000	6,61,30,098	21,83,000	19,00,000

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

IV Change in Fair Value of Assets						
1 Plan Assets at the Beginning of the Year	72,44,940	50,96,000	6,20,30,757	5,12,50,938	-	-
2 Acquisition Adjustment	-	-	-	-	-	-
3 Actual Return on Plan Assets	5,86,178	4,42,000	46,48,715	33,40,278	-	-
4 Actuarial Gains/(Losses)	80,053	(90,000)	5,76,487	(3,62,209)	-	-
5 Actual Company Contribution	11,41,520	22,14,940	62,51,732	1,36,97,645	-	-
6 Benefits Paid	-	(4,18,000)	(63,47,511)	(58,95,895)	3,38,000	3,38,000
7 Plan Assets at the End of the Year	90,52,691	72,44,940	6,71,60,180	6,20,30,757	-	-
V Principal Actuarial Assumptions used (common for all valuations)						
1 Discount Rate (%)					8.00	7.50
2 Expected Return on Plan Assets (%)					7.50	7.50
3 Expected Salary increase rates					5.00	5.00
4 Mortality rates					LICI (1994-96)	LICI (1994-96)
VI Major Category of Plan Assets as a % of the Total Plan Assets						
1 Government Securities/Special Deposit with RBI	44.30	43.08	53.37	54.21		
2 PSU Bonds	29.38	31.78	32.93	32.46		
3 Insurance Companies	20.80	15.81	9.16	4.77		
4 Cash and Cash Equivalents	5.52	9.33	4.54	8.56		

VII Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based on the actuarial expectation of the average long term rate of return expected on investment of the fund with the Trustees, assuming that these are generally held to maturity, along with the estimated incremental investments to be made during the year.

14. Earnings per Equity Share

Earnings per Equity Share as per Accounting Standard AS-20, Earnings per Share issued by the Institute of Chartered Accountants of India, has been computed as under :

	2010-2011	2009-2010
	Rs.	Rs.
(a) Profit after Taxation	19,26,70,552	19,31,09,224
(b) Weighted average number of Equity Shares outstanding	3,66,96,475	3,66,96,475*
(c) Earnings per Share of Rs. 2 each	5.25	5.26*

* Adjusted for sub-division of each Equity Share of Rs. 10 into 5 Equity Shares of Rs. 2 each.

15. Micro and Medium Scale business entities :

On the basis of information available with the Company, there are no Micro, Small and Medium Enterprises, within the meaning of Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2011.

16. Previous year's figures have been rearranged wherever necessary.

	H. M. Gupta <i>Executive Chairman</i>	Dr. S. S. Bajjal H. M. Parekh P. L. Agarwal V. P. Agarwal <i>Directors</i>	N. K. Khurana <i>Vice President (Finance)- Cum-Company Secretary</i>
Place : Kolkata	C.S.Bedi		
Date : 18th May, 2011	<i>Managing Director</i>		

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	L01132WB1994PLC063513	State Code	21
Balance Sheet Date	31.03.2011		

II. Capital raised during the year (Amount in Rs.'000)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of Mobilization and Deployment of Funds (Amount in Rs. '000)

Total Liabilities		Total Assets	
Source of Funds	17,42,811	Application of Funds	17,42,811
Paid-up Capital	73,393	Net Fixed Assets	11,17,919
Reserves and Surplus	14,35,860	Investments	3,56,463
Secured Loans	1,30,263	Current Assets,	
Unsecured Loans	4,600	Loans and Advances	2,68,429
Current Liabilities and Provisions	93,495		
Deferred Taxation Liability	5,200		

IV. Performance of the Company (Amount in Rs. '000)

Turnover	7,59,326
Other Income	28,572
Total Expenditure	5,46,227
Profit Before Tax	2,41,671
Profit After Tax	1,92,671
Earnings per Share (in Rs.)	5.25
Dividend Rate (%)	20.00

V. Generic names of three principal products/services of the Company (as per monetary terms)

Product Description	Item Code No. (ITC Code)
Black Tea	09.02
Aviation related Support and Services	
Design and Development of Avionic Equipments	

	H. M. Gupta <i>Executive Chairman</i>	Dr. S. S. Bajjal H. M. Parekh P. L. Agarwal V. P. Agarwal <i>Directors</i>	N. K. Khurana <i>Vice President (Finance)- Cum-Company Secretary</i>
Place : Kolkata	C.S.Bedi <i>Managing Director</i>		
Date : 18th May, 2011			

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Cash Flow Statement for the year ended 31st March, 2011

	2010-2011		2009-2010	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities				
Profit before Tax and Extraordinary items		24,16,70,552		24,99,09,224
Adjustment for :				
Depreciation	1,80,09,792		1,64,17,164	
Interest (Net)	1,38,34,350		2,27,10,919	
Loss on Disposal of Fixed Assets (Net)	14,969		51,280	
Unrealised Loss (Gain) on Exchange	–		(58,10,000)	
Loss (Profit) on sale of Investments	(3,56,586)		13,23,099	
		3,15,02,525		3,46,92,462
		27,31,73,077		28,46,01,686
Items Considered in Investing Activity :				
Interest on Deposits etc.	(66,84,935)		(52,46,406)	
Dividend	(2,19,520)		(1,58,510)	
		(69,04,455)		(54,04,916)
Operating Profit before Working Capital Changes		26,62,68,622		27,91,96,770
Adjustment for :				
Current Assets	(5,18,89,470)		(2,52,87,168)	
Current Liabilities	(1,52,11,964)		1,72,95,256	
		(6,71,01,434)		(79,91,912)
Cash Generated from Operations		19,91,67,188		27,12,04,858
Interest Paid	(1,38,34,350)		(2,27,10,919)	
Direct Taxes (Net of refund)	(4,86,03,566)		(5,05,16,472)	
		(6,24,37,916)		(7,32,27,391)
Cash Flow before Extraordinary Items		13,67,29,272		19,79,77,467
Extraordinary Items		–		–
Net Cash Flow from Operating Activities		13,67,29,272		19,79,77,467
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets including Advances for Capital Assets		(2,43,41,495)		(5,86,32,812)
Sale of Fixed Assets (including Subsidy received from Tea Board)		11,73,782		5,06,704
Sale of Investments (Net)		1,30,57,902		3,10,23,074
Purchase of Investments		(2,10,03,355)		(15,31,56,186)
Interest Received		66,84,935		52,46,406
Dividend Received		2,19,520		1,58,510
Net Cash Flow from Investing Activities		(2,42,08,711)		(17,48,54,304)

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

	2010-2011		2009-2010	
	Rs.	Rs.	Rs.	Rs.
C. Cash Flow from Financing Activities				
Intercompany deposits(ICD) (repaid) /taken including interest accrued thereon		(11,38,31,086)		6,84,99,105
Repayment of External Commercial Borrowings		(4,51,40,000)		–
Repayment of Short/Medium Term Loans from Banks (Net)		(41,22,097)		(1,78,98,015)
Proceeds of Short Term Loan from Bank (Net)		2,66,43,847		1,14,24,301
Dividend Paid and Tax thereon				
- Dividend 2008-2009	–		(1,28,79,913)	
- Interim Dividend 2009-2010	–		(85,86,608)	
- Final Dividend 2009-2010	(85,86,608)	(85,86,608)	–	(2,14,66,521)
Net Cash Flow from Financing Activities		(14,50,35,944)		4,05,58,870
Net Increase in Cash and Cash Equivalents (A+B+C)		(3,25,15,383)		6,36,82,033
Cash and Cash Equivalents as at 31.03.2010				
(Opening Balance)		7,16,30,242		79,48,209
Cash and Cash Equivalents as at 31.03.2011				
(Closing Balance)		3,91,14,859		7,16,30,242

Note : The above Statement has been prepared under the Indirect Method as given in Accounting Standard on Cash Flow Statement (AS - 3) issued by the Institute of Chartered Accountants of India.

In terms of our Report of even date

For S. S. Kothari & Co.
Chartered Accountants
(Registration No. 302034E)

R. K. Roy Chaudhury
Partner

H. M. Gupta
Executive Chairman

Dr. S. S. Bajjal
H. M. Parekh
P. L. Agarwal
V. P. Agarwal
Directors

N. K. Khurana
Vice President (Finance)-
Cum-Company Secretary

Place : Kolkata
Date : 18th May, 2011

C.S.Bedi
Managing Director

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Statement Regarding Subsidiary Companies

Pursuant to Section 212 of the Companies Act, 1956

i) Sigma Microsystems Private Limited

- (A) The Financial Year of the Subsidiary Company ended on : 31st March, 2011
- (B) Holding Company's Interest
- (a) Number and face value : 5,62,500 Equity Shares of Rs.10 each fully paid
- (b) Extent of holding : 56.25%
- (C) Net aggregate amount of Subsidiary's Profit (Loss), so far as it concerns Members of the Holding Company and not dealt with in the Holding Company's Accounts :
- i) for the Subsidiary's financial year ended 31st March, 2011 : (Rs. 76,18,780)
- ii) for its previous financial year : (Rs. 34,00,171)
- (D) Net aggregate amount of Subsidiary's Profit (Loss), so far as it concerns Members of the Holding Company and dealt with in the Holding Company's Accounts:
- i) for the Subsidiary's financial year ended 31st March, 2011 : Nil
- ii) for its previous financial year : Nil

ii) Rossell Aviation Private Limited

- (A) The Financial Year of the Subsidiary Company ended on : 31st March, 2011
- (B) Holding Company's Interest
- (a) Number and face value : 10,000 Equity Shares of Rs.10 each fully paid
- (b) Extent of holding : 100%
- (C) Net aggregate amount of Subsidiary's Profit (Loss), so far as it concerns Members of the Holding Company and not dealt with in the Holding Company's Accounts :
- i) for the Subsidiary's financial year ended 31st March, 2011 : (Rs. 20,870)
- ii) for its previous financial year : (Rs. 16,474)
- (D) Net aggregate amount of Subsidiary's Profit (Loss), so far as it concerns Members of the Holding Company and dealt with in the Holding Company's Accounts :
- i) for the Subsidiary's financial year ended 31st March, 2011 : Nil
- ii) for its previous financial year : Nil

H. M. Gupta
Executive Chairman

Dr. S. S Bajjal
H. M. Parekh
P. L. Agarwal
V. P. Agarwal
Directors

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

Place : Kolkata
Date : 18th May, 2011

C.S.Bedi
Managing Director

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

**Report of the Auditors to the Board of Directors of Rossell India Limited,
(Formerly Rossell Tea Limited)**

We have audited the attached Consolidated Balance Sheet of Rossell India Limited (Formerly Rossell Tea Limited) and its subsidiaries, Sigma Microsystems Private Limited and Rossell Aviation Private Limited as at 31st March 2011, Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These Consolidated Financial Statements are the responsibility of Rossell India Limited's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have not audited the financial statements of subsidiaries, Sigma Microsystems Private Limited and Rossell Aviation Private Limited whose financial statements reflect total assets of Rs.304.96 lacs as at 31st March 2011 and total revenues of Rs.267.19 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Rossell India Limited and its subsidiaries, included in the Consolidated Financial Statements.

On the basis of the information and explanations given to us and on consideration of the separate audit report on individual audited financial statements of Rossell India Limited and its aforesaid subsidiaries, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Rossell India Limited (Formerly Rossell Tea Limited) and its subsidiaries as at 31st March, 2011,
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results (profit) of operations of Rossell India Limited (Formerly Rossell Tea Limited) and its subsidiaries for the year ended on that date.
- (c) in the case of the Consolidated Cash Flow Statement of the cash flows for the year ended on that date.

For **S. S. Kothari & Co.**
Chartered Accountants
(Registration No. 302034E)

R. K. Roy Chaudhury
Partner
Membership No.8816

Place : Kolkata
Date : 18th May, 2011

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Consolidated Balance Sheet as at 31st March, 2011

	Schedule	As on 31.03.2011		As on 31.03.2010	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1		7,33,92,950		7,33,92,950
Reserves and Surplus	2		1,42,06,08,172		1,26,39,61,360
			<u>1,49,40,01,122</u>		<u>1,33,73,54,310</u>
Loan Funds					
Secured Loans	3		13,02,63,171		15,28,81,421
Unsecured Loans	4		1,39,69,155		12,89,06,954
			<u>14,42,32,326</u>		<u>28,17,88,375</u>
Minority Interest			-		17,30,422
Deferred Tax Liability (Net)			55,11,388		51,08,194
T O T A L			<u>1,64,37,44,836</u>		<u>1,62,59,81,301</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5		1,28,00,00,190		1,25,86,79,115
Less: Depreciation			15,85,03,640		13,23,52,375
Net Block			1,12,14,96,550		1,12,63,26,740
Capital Work-in-Progress			15,41,606		29,04,039
			<u>1,12,30,38,156</u>		<u>1,12,92,30,779</u>
Goodwill			1,69,31,501		1,69,31,501
Investments	6		33,38,07,153		32,55,05,113
Current Assets, Loans and Advances					
Inventories	7	4,65,01,522		3,92,80,523	
Sundry Debtors	8	3,98,01,212		2,65,65,305	
Cash and Bank Balances	9	3,99,82,371		7,34,25,039	
Other Current Assets	10	2,21,65,760		2,23,68,828	
Loans and Advances	11	11,93,58,276		9,83,46,958	
			<u>26,78,09,141</u>		<u>25,99,86,653</u>
Less: Current Liabilities and Provisions					
Current Liabilities	12		7,60,00,073		9,22,41,298
Provisions	13		2,18,98,748		1,34,89,153
			<u>9,78,98,821</u>		<u>10,57,30,451</u>
Net Current Assets			16,99,10,320		15,42,56,202
Miscellaneous Expenditure					
Preliminary Expenses			57,706		57,706
T O T A L			<u>1,64,37,44,836</u>		<u>1,62,59,81,301</u>

Notes on Consolidated Accounts 18

Schedules 1 to 13 and Schedule 18 referred to above form an integral part of the Balance Sheet

In terms of our Report of even date

For S. S. Kothari & Co.

Chartered Accountants

(Registration No. 302034E)

R. K. Roy Chaudhury
Partner

H. M. Gupta
Executive Chairman

Dr. S. S. Bajjal
H. M. Parekh
P. L. Agarwal
V. P. Agarwal
Directors

N. K. Khurana
Vice President (Finance)-
Cum-Company Secretary

Place : Kolkata
Date : 18th May, 2011

C.S.Bedi
Managing Director

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Consolidated Profit and Loss Account for the year ended 31st March, 2011

	Schedule	2010-2011 Rs.	2009-2010 Rs.
INCOME			
Sales		71,18,67,461	71,67,75,347
Less: Excise Duty		26,69,433	20,09,165
		<u>70,91,98,028</u>	<u>71,47,66,182</u>
Receipts for Technical and Support Services		7,68,06,899	8,25,98,240
Other Income	14	2,55,39,431	2,07,57,164
		<u>81,15,44,358</u>	<u>81,81,21,586</u>
EXPENDITURE			
(Increase) Decrease in Stock	15	(18,11,991)	(45,68,782)
Expenses	16	55,22,06,455	54,00,58,870
Interest	17	1,40,53,797	2,34,92,738
Depreciation		1,91,04,467	1,70,35,852
		<u>58,35,52,728</u>	<u>57,60,18,678</u>
PROFIT BEFORE TAXATION		22,79,91,630	24,21,02,908
Provision for Current Taxation		4,84,83,249	5,00,00,000
Deferred Taxation Adjustment		4,03,194	67,94,079
PROFIT AFTER TAXATION		17,91,05,187	18,53,08,829
Balance brought forward		4,39,94,526	2,24,50,947
Transfer from Minority Interest		17,30,422	34,07,966
PROFIT AVAILABLE FOR APPROPRIATION		22,48,30,135	21,11,67,742
APPROPRIATION			
Transfer to General Reserve		18,00,00,000	15,00,00,000
Dividend on Equity Shares			
- Interim		—	73,39,295
- Final		1,46,78,590	73,39,295
Tax on Dividend		24,37,930	24,94,626
Balance carried forward		2,77,13,615	4,39,94,526
		<u>22,48,30,135</u>	<u>21,11,67,742</u>
Basic and Diluted Earnings per Equity Share		4.93	5.14

Notes on Consolidated Accounts

18

Schedules 14 to 18 referred to above form an integral part of the Profit and Loss Account

In terms of our Report of even date

For S. S. Kothari & Co.
Chartered Accountants
(Registration No. 302034E)

R. K. Roy Chaudhury
Partner

H. M. Gupta
Executive Chairman

Dr. S. S. Bajjal
H. M. Parekh
P. L. Agarwal
V. P. Agarwal
Directors

N. K. Khurana
Vice President (Finance)-
Cum-Company Secretary

Place : Kolkata
Date : 18th May, 2011

C.S.Bedi
Managing Director

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

Schedules to the Consolidated Balance Sheet as at 31.03.2011

	<u>As on 31.03.2011</u>	<u>As on 31.03.2010</u>
	<u>Rs.</u>	<u>Rs.</u>
SCHEDULE 1		
CAPITAL		
Authorised		
4,50,00,000 Equity Shares of Rs.2 each (2010 - 90,00,000 Equity Shares of Rs.10 each)	<u>9,00,00,000</u>	<u>9,00,00,000</u>
Issued and Subscribed		
3,66,96,475 Equity Shares of Rs.2 each fully paid up (2010 - 73,39,295 Equity Shares of Rs.10 each fully paid up)	<u>7,33,92,950</u>	<u>7,33,92,950</u>

Notes :

1. Of the above 1,51,78,585 Equity Shares of Rs. 2 each (2010-30,35,717 Equity Shares of Rs. 10 each) were issued for consideration other than cash and 88,88,890 Equity Shares of Rs. 2 each (2010-17,77,778 Equity Shares of Rs. 10 each) were issued by way of conversion of 4,00,000 9% Redeemable Preference Shares of Rs. 100 each.
2. Of the above 2,31,63,795 Equity Shares of Rs. 2 each (2010-46,52,509 Equity Shares of Rs. 10 each) are held by BMG Enterprises Ltd., the Holding Company.

SCHEDULE 2

RESERVES AND SURPLUS

Securities Premium Account

Balance as per last Account	<u>26,09,54,823</u>	<u>26,09,54,823</u>
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Capital Reserve

Balance as per last Account	<u>2,25,45,443</u>	<u>2,25,45,443</u>
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Revaluation Reserve

Balance as per last account	52,99,64,389	53,31,20,237
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Less : Withdrawal on account of depreciation on incremental amounts upon revaluation	<u>70,72,277</u>	<u>31,55,848</u>
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	<u>52,28,92,112</u>	<u>52,99,64,389</u>
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General Reserve

Balance as per last Account	40,65,02,179	25,65,02,179
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Add : Transfer from Profit and Loss Account	<u>18,00,00,000</u>	<u>15,00,00,000</u>
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	<u>58,65,02,179</u>	<u>40,65,02,179</u>
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Surplus in Profit and Loss Account

	<u>2,77,13,615</u>	<u>4,39,94,526</u>
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	<u>1,42,06,08,172</u>	<u>1,26,39,61,360</u>
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ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

SCHEDULE 3	As on 31.03.2011	As on 31.03.2010
	Rs.	Rs.
SECURED LOANS		
From Banks		
Foreign Currency Term Loan		
External Commercial Borrowing from The Bank of Beirut (U.K.) Ltd. [Secured by equitable mortgage of Dikom T.E. pari passu with State Bank of India]	–	4,51,40,000
Rupee Term Loan		
Term Loan from HDFC Bank Ltd. [Secured by hypothecation of tea crop and movable assets of Nokhroy, Nagrijuli and Romai T.Es.and collaterally secured by equitable mortgage of Nokhroy T.E. and Romai T.E.]	10,00,00,000	9,00,00,000
Car Loan from HDFC Bank Ltd [Secured by hypothecation of Motor Cars financed by them]	–	41,22,097
Cash Credit Accounts		
HDFC Bank Ltd. [Secured by hypothecation of tea crop and movable assets of Nokhroy, Nagrijuli and Romai T.Es.and collaterally secured by equitable mortgage of Nokhroy T.E. and Romai T.E.]	62,30,217	41,34,230
State Bank Of India [Secured by hypothecation of tea crop and movable assets of Dikom T.E. and collaterally secured by equitable mortgage of Dikom T.E. pari passu with The Bank of Beirut (U.K.) Ltd.]	6,449	71,11,982
Axis Bank Limited [Secured by hypothecation of tea crop and movable assets of Bokakhat T.E. and collaterally secured by equitable mortgage of Bokakhat T. E.]	39,58,192	23,73,112
Development Credit Bank Limited [Secured by hypothecation of tea crop and movable assets of Dikom T.E.]	2,00,68,313	–
	13,02,63,171	15,28,81,421
SCHEDULE 4		
UNSECURED LOANS		
Intercorporate Deposits	14,50,000	3,92,60,307
Loan from Managing Director (Executive Chairman)	31,50,000	7,76,35,000
Loan from Directors of Subsidiary	93,69,155	1,04,75,868
Interest accrued and due thereon	–	15,35,779
	1,39,69,155	12,89,06,954

ROSSELL INDIA LIMITED

SCHEDULE 5

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost/Revalued as at 31.03.2010	Additions During the Year	Disposal During the Year	Cost/Revalued as at 31.03.2011	As at 31.03.2010	Addition for the Year	Written back / Adjustments during the Year	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land & Planted Teas	66,55,99,252	1,73,130	-	66,57,72,382	-	-	-	66,57,72,382	66,55,99,252
Buildings	29,51,06,298	39,19,225	-	29,90,25,523	2,82,80,553	60,69,756	-	3,43,50,309	26,68,25,745
Plant and Machinery	22,28,16,647	68,18,013	11,72,020	22,84,62,640	7,44,82,006	1,32,07,510	-	8,76,89,516	14,83,34,641
Furniture and Fittings	1,74,63,523	1,06,624	-	1,75,70,147	63,18,810	11,02,943	-	74,21,753	1,11,44,713
Vehicles	3,78,96,941	83,62,899	-	4,62,59,840	1,41,18,674	35,58,291	-	1,76,76,965	2,37,78,267
Office and Other Equipment	1,97,96,454	32,32,154	1,18,950	2,29,09,658	91,52,332	22,38,241	25,476	1,13,65,097	1,06,44,122
	1,25,86,79,115	2,26,12,045	12,90,970	1,28,00,00,190	13,23,52,375	2,61,76,741	25,476	15,85,03,640	1,12,14,96,550
Previous Year	1,19,77,40,727	6,15,36,218	5,97,830	1,25,86,79,115	11,22,00,521	2,01,91,700	39,846	13,23,52,375	1,12,63,26,740

Note: Disposal during the year under Plant and Machinery represents Rs.11,72,020 (2010-Rs. 4,83,260) received from Tea Board towards subsidy against Fixed Assets added during earlier years.

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SCHEDULE 6	As on 31.03.2011	As on 31.03.2010
INVESTMENTS	Rs.	Rs.
At Cost		
Long Term Investments		
Trade Investments : Unquoted		
In Shares, Debentures or Bonds	32,49,96,994	30,39,93,639
Other Investments : Unquoted		
In Shares, Debentures or Bonds	–	50,00,000
In Units	15,00,000	15,00,000
Other Investments : Quoted		
In Shares, Debentures or Bonds	80,34,348	1,57,35,663
	33,45,31,342	32,62,29,302
Less : Provision for diminution in the value of Investments	7,24,189	7,24,189
	33,38,07,153	32,55,05,113
Aggregate Book value (Net of Provisions)		
Quoted Investments	73,10,159	1,50,11,474
Unquoted Investments	32,64,96,994	31,04,93,639
	33,38,07,153	32,55,05,113
Market Value of Quoted Investments	79,73,082	1,57,35,959
SCHEDULE 7		
INVENTORIES		
Stock of Raw Materials at cost	83,10,547	77,26,146
Stock of Work-in-Progress at works cost	58,29,825	94,42,585
Stock of Tea at lower of cost and net realisable value	1,57,65,211	1,03,40,460
Stock of Stores and Spares at or under cost	1,65,95,939	1,17,71,332
	4,65,01,522	3,92,80,523
SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured , Considered Good		
Debts outstanding for a period exceeding six months	16,74,436	61,44,762
Other Debts	3,81,26,776	2,04,20,543
	3,98,01,212	2,65,65,305

ROSSELL INDIA LIMITED
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	As on 31.03.2011	As on 31.03.2010
	Rs.	Rs.
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in Hand	6,88,825	10,36,521
With Scheduled Banks		
on Current Accounts	30,27,305	60,75,700
on Fixed Deposit Accounts	3,50,00,000	–
on EEFC Account in USD	37	38
on EEFC Account in Euro	80,605	6,53,58,642
on EEFC Account in Pound	–	66,605
on Margin Money Account	8,34,181	6,18,530
on Unpaid Dividend Accounts	3,51,418	2,69,003
	3,99,82,371	7,34,25,039
 SCHEDULE 10		
OTHER CURRENT ASSETS		
Interest Accrued on Deposits	31,37,534	20,01,698
Other Receivables	1,90,28,226	2,03,67,130
	2,21,65,760	2,23,68,828
 SCHEDULE 11		
LOANS AND ADVANCES		
Unsecured , Considered Good		
Advances for Capital Assets	2,93,41,677	2,44,70,139
Intercorporate Deposits	1,00,00,000	–
Advances recoverable in cash or in kind or for value to be received	1,30,03,809	2,83,78,914
Deposits	6,70,12,790	4,54,97,905
	11,93,58,276	9,83,46,958
 SCHEDULE 12		
CURRENT LIABILITIES		
Sundry Creditors	1,39,65,094	1,99,56,333
Other Liabilities	6,10,71,314	7,14,62,788
Interest Accrued but not Due	6,12,247	5,53,175
Unpaid Dividend	3,51,418	2,69,002
	7,60,00,073	9,22,41,298
 SCHEDULE 13		
PROVISIONS		
Provision for Taxation (Net)	47,82,228	49,02,545
Proposed Dividend	1,46,78,590	73,39,295
Tax on Dividend	24,37,930	12,47,313
	2,18,98,748	1,34,89,153

ROSSELL INDIA LIMITED
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Schedules to the Consolidated Profit and Loss Account

	2010-2011 Rs.	2009-2010 Rs.
SCHEDULE 14		
OTHER INCOME		
Interest		
On Intercompany Deposits	2,52,368	30,37,811
On Other Deposits and Bonds	27,72,827	5,11,235
On Fixed Deposits with Banks	6,27,005	-
Dividend	2,19,520	1,58,510
Gain on Exchange (Net)	33,84,595	2,57,217
Subsidy - Replanting	11,83,648	9,88,706
Tea Board Orthodox Subsidy Scheme	89,45,698	87,13,732
Sale of DEP Licence	70,42,229	55,84,095
Profit on Sale of Investments (Net)	3,56,586	-
Sundry Receipts	754,955	14,88,602
Liabilities no Longer Required written back	-	17,256
	<u>2,55,39,431</u>	<u>2,07,57,164</u>
SCHEDULE 15		
(INCREASE)/DECREASE IN STOCK		
Opening Stock of Tea/ Work-in-progress	1,97,83,045	1,52,14,263
Less : Closing Stock of Tea/Work-in-progress	2,15,95,036	1,97,83,045
	<u>(18,11,991)</u>	<u>(45,68,782)</u>
SCHEDULE 16		
EXPENSES		
Payment and benefits to Employees		
Salaries,Wages and Bonus	23,51,67,450	20,95,85,202
Contribution to Provident and other Funds	2,41,59,509	3,04,28,873
Workmen and Staff Welfare	2,82,31,868	2,80,63,743
	<u>28,75,58,827</u>	<u>26,80,77,818</u>
Other Expenses		
Consumption of Stores and Spare Parts	7,24,51,434	7,18,89,450
Consumption of Raw Materials	1,51,18,161	1,90,13,903
Purchase of Green Leaf	24,85,655	14,31,493
Job work	12,24,280	3,67,708
Power and Fuel	4,74,07,282	4,52,41,328
Tea Cess	12,52,688	13,38,992
Cess on Green Leaf	68,70,146	59,58,246
Rent	59,22,551	83,43,120
Rates and Taxes	23,27,090	11,95,370

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SCHEDULE 16 (Contd.)	2010-2011	2009-2010
	Rs.	Rs.
Repairs to Building	79,99,158	1,77,24,285
Repairs to Machinery	1,22,09,346	1,35,67,803
Other Repairs and Maintenance	17,35,451	37,31,978
Vehicles Maintenance	59,33,495	45,32,422
Transportation	1,12,84,467	1,12,30,633
Shipment Charges	20,45,200	15,48,231
Warehousing and Selling Expenses	1,22,07,865	1,10,30,870
Brokerage	53,89,346	51,21,521
Commission on Sales	31,45,408	38,30,874
Late Delivery Charges	24,66,465	2,91,310
Insurance	18,80,043	13,41,249
Directors' Fee and Commission	6,50,000	6,45,500
Auditors' Remuneration	4,10,617	3,68,355
Travelling and Conveyance	1,29,24,294	1,28,76,761
Miscellaneous Expenses	2,92,62,526	2,79,85,271
Loss on Sale of Investments (Net)	-	13,23,099
Loss on Disposal of Fixed Assets (Net)	44,660	51,280
	26,46,47,628	27,19,81,052
	55,22,06,455	54,00,58,870

SCHEDULE 17

INTEREST

On Bank Overdraft	9,23,458	36,92,379
On Term Loans to Banks	67,19,335	98,51,357
On Intercompany Deposits	24,92,711	49,75,819
On Unsecured Loan from Managing Director (Executive Chairman)	48,21,392	57,32,282
Others	2,19,447	2,61,300
	1,51,76,343	2,45,13,137
Less : Interest Subsidy	11,22,546	10,20,399
	1,40,53,797	2,34,92,738

ROSSELL INDIA LIMITED
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SCHEDULE – 18

NOTES ON CONSOLIDATED ACCOUNTS

1. Basis of Preparation of Accounts

The accompanying financial statements have been prepared to comply, in all material aspects, with applicable statutory/ regulatory provisions, accounting standards and generally accepted accounting principles and practices prevailing in India.

2. Consolidation Procedure

2.1 Consolidated financial statements of the Group, comprising Rossell India Limited (Parent) and its Subsidiaries, Sigma Microsystems Private Limited (Subsidiary) and Rossell Aviation Private Limited (Fully Owned Subsidiary) have been prepared on the basis of

- a) Audited Accounts of the Parent for the year ended 31st March, 2011
- b) Audited Accounts of the Subsidiaries for the year ended 31st March, 2011
- c) Line by Line aggregation of each item of asset / liability/ income /expenses of the Subsidiaries with the respective item of the Parent, and after eliminating all intra group transactions and unrealized profit/ loss, if any, as per Accounting Standard -21, Consolidated Financial Statements issued by the Institute of Chartered accountants of India.

2.2 The excess of cost to the Parent of its investment in the Subsidiaries over its Share of the Equity of the Subsidiaries, at the date on which such investment was made, has been recognized as goodwill and shown as an asset in the consolidated financial statements.

2.3 Minority Interest in the Consolidated financial statements is the net assets of the Subsidiaries consisting of :

- a) The amount of Equity attributable to the minority shareholders at the date on which such investment was made by the Parent in the Subsidiaries.
- b) The amount of surplus/deficit in the profit and loss account attributable to the minority shareholders as on the close of the financial year ended 31st March, 2011.

3. List of Subsidiaries considered for preparation of Consolidated financial statements

Rossell India Limited (Parent) is having two Subsidiaries, Sigma Microsystems Private Limited (on and from 15th September, 2006) and Rossell Aviation Private Limited (on and from 4th February, 2009), Companies incorporated in India under the Companies Act, 1956 as on the reporting date. The proportion of ownership interest of the Parent in the Subsidiary is 56.25% and 100% respectively.

The Subsidiary Company Rossell Aviation Private Limited did not undertake any business activity during the year.

4. Changes in Consolidation Process as compared to 2009-2010

The Consolidated Financial Statements have been prepared on the same basis as that adopted in respect of the accounting year 2009-2010 with no change in the Consolidation Process. As per Paragraph 30 of Accounting Standard-21, Consolidated Financial Statements, comparative figures for the previous year have been presented.

5. Significant Accounting Policies

The following Accounting Policies have been adopted by both Parent and Subsidiaries and accordingly for preparing these Consolidated financial statements :

5.1 Basis of Accounting

The financial statements have been prepared in accordance with historical cost concept.

5.2 Revenue Recognition

Sales represent the invoice value of finished goods supplied, net of Sales Tax and Value Added tax and inclusive of Excise Duty, where applicable. Sales also include insurance claims received for damage/shortage of finished goods. Other items of income and expenditure are recognised on accrual and prudent basis.

5.3 Fixed Assets

Fixed Assets are stated at cost of acquisition, net of subsidy received and Cenvat Credit, where applicable together with resultant write up due to revaluation and depreciated on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.

The cost of Extension Planting on cultivable land including cost of development is capitalised. However, cost of upkeep and maintenance of the areas still not matured for plucking and cost of replanting in existing areas are charged to revenue.

Profit or Loss on disposal of Fixed Assets is recognised in the Profit and Loss Account.

Any Impairment Loss is recognized, if and when the carrying value of Fixed Assets of a cash generating unit exceeds its market value or value in use, whichever is higher as per Accounting Standard, AS-28, Impairment of Assets, issued by the Institute of Chartered Accountants of India.

5.4 Foreign Currency Transaction

Foreign Currency Transactions are converted and accounted for at the rates prevailing on the dates of transaction. Year-end current assets (Monetary Items) and liabilities are restated at the year-end exchange rate and resultant net gain or loss is adjusted in the Profit and Loss Account as prescribed by Accounting Standard-11, Accounting for the Effect of Changes in Foreign Exchange Rates, issued by the Institute of Chartered Accountants of India.

5.5 Investments

Investments are stated at cost of acquisition and treated as long term investments. Provision is made in case of permanent diminution in the value of Investments.

Profit and Loss on sale of Investments are recognized in the Profit and Loss Account for the year.

5.6 Inventories

Stock of Tea is valued at lower of cost and net realisable value and that of stores and spares is valued at or under cost. Stock of Raw Materials is valued at cost of acquisition and that of work-in-progress at works cost.

5.7 Staff Benefits

- a) The Parent Company operates Defined Contribution Schemes namely, Provident Fund and Superannuation Fund for certain classes of employees. Monthly contribution is made to these funds which are fully funded and administered by Trustees and are independent of Parent Company's finance. The Subsidiary Company contributes to Regional Provident Fund Authorities. Contributions are recognized in Profit and Loss Account on an accrual basis.

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- b) Defined Benefit Plans like Gratuity and Pension Schemes (frozen as on 31st March, 2002) are also maintained by the Parent Company. The Parent Company contributes to these funds and such contribution is determined by the actuary at the end of the year. The Parent Company ascertains the liability on the basis of an actuarial valuation at the end of each year. Actuarial gains and losses are recognized in the Profit and Loss Account. The Parent Company also recognizes in the Profit and Loss Account gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs. Both the pension fund and gratuity fund are administered by the Trustees and are independent of Parent Company's finance. The Subsidiary Company has provided for gratuity based on actuarial valuation
- c) Leave encashment liability for certain eligible employees, as determined on the basis of an actuarial valuation, is provided for at the end of each year, except where the same is actually ascertained and paid/provided for and charge is recognized in the Profit and Loss Account.

5.8 Borrowing Cost

Borrowing cost is recognised as an expense to the extent, the same has been incurred for the year, unless such cost is directly attributable to the acquisition, construction or production of a qualifying asset and capitalised as part of the cost of that asset as prescribed by Accounting Standard-16, Borrowing Cost, issued by the Institute of Chartered Accountants of India. Subsidy receivable on this account is adjusted with expense for the year, in which the claim of the Company for such subsidy gets admitted.

5.9 Replanting Subsidy

Replanting Subsidy is recognised as income in the Profit and Loss Account in the year of receipt on prudent basis.

5.10 Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rates and laws.

Provisions for Deferred Taxation is made at the current rate of taxation, on all timing difference, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred Tax Asset/ Deferred Tax Liability is reviewed at each Balance Sheet date to reassess realization.

6. Segment Information for the year ended 31st March, 2011

1. **Business Segments** : The Segment report of the Group has been prepared as per Accounting Standard, AS-17- Segment Reporting issued by the Institute of Chartered Accountants of India. The Group has following Business Segments as Primary Segment for disclosure.

- A. Cultivation, Manufacture and Sale of Tea.
B. Aviation Products and Services

2. Revenue	2010-2011	2009-2010
	Rs.	Rs.
A. Cultivation, Manufacture and Sale of Tea	69,72,95,808	70,27,38,337
B. Aviation, Products and Services	11,73,21,304	11,89,12,571
	81,46,17,112	82,16,50,908
Less : Inter Segment Revenue	30,72,754	35,29,322
Total Revenue	81,15,44,358	81,81,21,586

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	2010-2011 Rs.	2009-2010 Rs.
3. Results		
A. Cultivation, Manufacture and Sale of Tea	22,07,07,432	22,79,46,109
B. Aviation Products and Services	2,13,37,995	3,76,49,537
	24,20,45,427	26,55,95,646
Less : i) Un-allocated expenses, net of un-allocated Income	-	-
ii) Interest Net of subsidy	1,40,53,797	(2,34,92,738)
Profit before Taxation	22,79,91,630	24,21,02,908
4. Segment Assets		
A. Cultivation, Manufacture and Sale of Tea	1,59,95,38,590	1,57,06,72,817
B. Aviation Products and Services	17,38,26,131	19,32,10,770
	1,77,33,64,721	1,76,38,83,587
5. Segment Liabilities		
A. Cultivation, Manufacture and Sale of Tea	22,84,81,584	36,82,33,202
B. Aviation Products and Services	4,51,57,015	5,08,40,652
	27,36,38,599	41,90,73,854
6. Capital Expenditure		
A. Cultivation, Manufacture and Sale of Tea	1,39,45,834	4,61,71,203
B. Aviation Products and Services	86,66,211	1,13,42,522
	2,26,12,045	5,75,13,725
7. Depreciation		
A. Cultivation, Manufacture and Sale of Tea	1,59,20,985	1,47,63,761
B. Aviation Products and Services	31,83,482	22,72,091
	1,91,04,467	1,70,35,852

7. **The following are the Related Party transactions undertaken by the Group during this accounting period in terms of AS-18 - Related Party Disclosures issued by the Institute of Chartered Accountants of India :**

- a. Name of related party and nature of relationship :
- | | |
|--------------------------|--|
| Key Management Personnel | Mr. H.M. Gupta, Executive Chairman
Mr. C.S. Bedi, Managing Director |
| Holding Company | BMG Enterprises Ltd. |
- Enterprises over which the Key Management Personnel or their relatives have significant influence
- BMG Investments Pvt. Ltd.
Harvin Estates Pvt. Ltd.
BMG Foundation

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b. Particulars of transactions during the year ended 31st March, 2011

Key Management Personnel and relatives	2010-2011	2009-2010
	Rs.	Rs.
1. Dividend Paid	7,46,957	18,67,392
2. Unsecured Loan taken (Net)	-	5,46,85,000
3. Unsecured Loan repaid (Net)	7,44,85,000	-
4. Interest paid on Unsecured Loan taken	48,21,392	57,32,282
5. Rent for Residential Accommodation	4,20,000	4,20,000
6. Remuneration Paid	1,43,44,161	1,37,89,992
7. Remuneration Paid to relative	14,80,000	9,40,885
Holding Company		
1. Dividend Paid	46,52,509	1,16,31,273
2. Net increase in Inter Corporate Deposit	-	1,08,50,000
3. Net decrease in Inter Corporate Deposit	3,04,60,307	-
4. Interest paid / payable on Inter Corporate Deposit	18,43,708	41,84,848
Enterprises where significant influence is Exercisable		
1. Dividend Paid	95,979	2,39,948
2. Rent Paid for Office Space	6,00,000	6,00,000
3. Rent paid for residential Accommodation	6,00,000	4,40,000
4. Net decrease in Inter Corporate Deposit	73,50,000	24,75,000
5. Interest paid / payable on Inter Corporate Deposit	6,49,003	7,90,971
6. Contributions made for charitable purpose	7,50,000	-

8. Additional statutory information disclosed in separate financial statements of the Parent and the Subsidiaries having no bearing on the true and fair view of the Consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the Consolidated financial statements in view of the general clarification issued by the Institute of Chartered Accountants of India.

9. **Earning Per Equity Share**

Earnings per Equity Share (Net of Minority Interest) as per Accounting Standard AS-20, Earning per Share issued by the Institute of Chartered Accountants of India, has been computed as under :

	2010-2011	2009-2010
	Rs.	Rs.
(a) Profit after Taxation (Net of Minority Interest)	18,08,35,609	18,87,16,795
(b) Weighted average number of Equity Shares outstanding (Restated for previous period after Sub-division)	3,66,96,475	3,66,96,475
(c) Earnings per Share	4.93	5.14

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10. In terms of General Circular No. 2/2011 issued by the Government of India, Ministry of Corporate Affairs, the required disclosure in respect of the Subsidiary Companies in respect of the Financial Year ended 31st March, 2011 is given below :

	Sigma Microsystems Private Limited Rs.	Rossell Aviation Private Limited Rs.
Capital	1,00,00,000	1,00,000
Reserves	(1,95,89,246)	(37,344)
Total Assets	3,04,85,501	68,171
Total Liabilities	4,00,74,747	5,515
Investment	-	-
Turnover	2,66,79,545	-
Profit before taxation	(1,36,58,055)	(20,870)
Provision for taxation	-	-
Profit after taxation	(1,35,44,498)	(20,870)
Proposed dividend	-	-

12. Previous year's figures have been rearranged wherever necessary.

	H. M. Gupta <i>Executive Chairman</i>	Dr. S. S. Baijal H. M. Parekh P. L. Agarwal V. P. Agarwal <i>Directors</i>	N. K. Khurana <i>Vice President (Finance)- Cum-Company Secretary</i>
Place : Kolkata	C.S.Bedi		
Date : 18th May, 2011	<i>Managing Director</i>		

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Consolidated Cash Flow Statement for the year ended 31st March,2011

	2010-2011		2009-2010	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities				
Profit before Tax and Extraordinary items				
Adjustment for :				
Depreciation	1,91,04,467		1,70,35,852	
Interest (Net)	1,40,53,797		2,34,92,738	
Loss on Disposal of Fixed Assets (Net)	44,660		51,280	
Unrealised Loss (Gain) on Exchange	–		(58,10,000)	
Liabilities Written back	–		(17,256)	
Loss (Profit) on sale of Investments	(3,56,586)		13,23,099	
		<u>3,28,46,338</u>		<u>3,60,75,713</u>
		26,08,37,968		27,81,78,621
Items Considered in Investing Activity :				
Interest on Deposits etc.	(36,52,200)		(35,49,046)	
Dividend	(2,19,520)		(1,58,510)	
		<u>(38,71,720)</u>		<u>(37,07,556)</u>
Operating Profit before Working Capital Changes		25,69,66,248		27,44,71,065
Adjustment for :				
Current Assets	(3,63,93,618)		(1,23,17,382)	
Current Liabilities	(1,62,41,225)	(5,26,34,843)	(1,75,72,153)	52,54,771
Cash Generated from Operations		20,43,31,405		27,97,25,836
Interest Paid	(1,40,53,797)		(2,34,92,738)	
Direct Taxes (Net of refund)	(4,86,03,566)	(6,26,57,363)	(5,05,44,293)	(7,40,37,031)
Cash Flow before Extraordinary Items		14,16,74,042		20,56,88,805
Extraordinary Items		–		–
Net Cash Flow from Operating Activities		14,16,74,042		20,56,88,805
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets including Advances for Capital Assets		(2,61,21,150)		(5,91,98,122)
Sale of Fixed Assets including Subsidy received from Tea Board		12,20,830		5,06,704
Sale of Investments		1,30,57,902		3,10,23,074
Purchase of Investments		(2,10,03,355)		(15,31,56,186)
Interest Received		36,52,200		35,49,046
Dividend Received		2,19,520		1,58,510
Net Cash Flow from Investing Activities		(2,89,74,053)		(17,71,16,974)

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

	2010-2011		2009-2010	
	Rs.	Rs.	Rs.	Rs.
C. Cash Flow from Financing Activities				
Intercorporate deposits(ICD) (repaid) /taken including interest accrued thereon		(11,49,37,799)		6,86,05,576
Repayment of External Commercial Borrowings		(4,51,40,000)		-
Repayment of Short Term Borrowings from Banks (Net)-			(2,47,08,105)	
Proceeds of Short Term Loan from Bank (Net)		(41,22,097)		1,14,24,301
Proceeds of Short Term Borrowings from Banks (Net)		2,66,43,847		-
Dividend Paid and Tax thereon				
- Dividend 2008-2009	-		(1,28,79,913)	
- Interim Dividend 2009-2010	-		(85,86,608)	
- Final Dividend 2009-2010	(85,86,608)	(85,86,608)	-	(2,14,66,521)
Net Cash Flow from Financing Activities		(14,61,42,657)		3,38,55,251
Net Increase in Cash and Cash Equivalents (A+B+C)		(3,34,42,668)		6,24,27,082
Cash and Cash Equivalents as at 31.03.2010 (Opening Balance)		7,34,25,039		1,09,97,957
Cash and Cash Equivalents as at 31.03.2011 (Closing Balance)		3,99,82,371		7,34,25,039

Notes : The above Statement has been prepared under the Indirect Method as given in Accounting Standard on Cash Flow Statement (AS - 3) issued by the Institute of Chartered Accountants of India.

In terms of our Report of even date

For S. S. Kothari & Co.

Chartered Accountants

(Registration No. 302034E)

R. K. Roy Chaudhury

Partner

H. M. Gupta

Executive Chairman

Dr. S. S. Baijal

H. M. Parekh

P. L. Agarwal

V. P. Agarwal

Directors

N. K. Khurana

Vice President (Finance)-

Cum-Company Secretary

Place : Kolkata

Date : 18th May, 2011

C.S.Bedi

Managing Director

ROSSELL INDIA LIMITED
(Formerly ROSSELL TEA LIMITED)

STATEMENT OF APPROXIMATE AREA, CROP AND YIELD

TEA ESTATES	Tea Bearing Area in Hectares	Crop (Kgs.) 2010-2011	Yield per Bearing Hectare
DIKOM	617	11,16,412	1,809
NOKHROY	316	7,15,401	2,264
NAGRIJULI	567	11,18,118	1,972
BOKAKHAT	304	4,32,308	1,422
ROMAI	312	6,70,806	2,150
TOTAL	<u>2,116</u>	<u>40,53,045</u>	<u>1,915</u>

ROSSELL INDIA LIMITED

(Formerly ROSSELL TEA LIMITED)

REGISTERED OFFICE : JINDAL TOWERS, BLOCK 'B', 4TH FLOOR
21/1A/3, DARGA ROAD, KOLKATA 700 0017

ATTENDANCE SLIP

I hereby record my presence at the SEVENTEENTH ANNUAL GENERAL MEETING of the Company at Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017 at 2.30 p.m. on Thursday, 11th August, 2011.

.....
Full name of the Member No. of Shares held Signature
(in block capitals)

Folio No. / DP ID No. * & Client ID No.*
* Applicable for members holding shares in electronic form.

.....
Full name of Shareholder/Proxy Signature
(in block capitals)

Note : Members/Proxy wishing to attend the Meeting must bring the Admission Slip to the Meeting and hand over duly signed at the registration counter.

ROSSELL INDIA LIMITED

(Formerly ROSSELL TEA LIMITED)

REGISTERED OFFICE : JINDAL TOWERS, BLOCK 'B', 4TH FLOOR
21/1A/3, DARGA ROAD, KOLKATA 700 0017

PROXY FORM

I/We
of being a Member/Members of ROSSELL INDIA LIMITED
hereby appoint of
or failing him/her of
or failing him/her of
as my/our Proxy to attend and vote for me/ us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Thursday, 11th August, 2011 at 2.30 p.m. and at any adjournment thereof.

Dated this day of 2011.

Signed by the said
Folio No. / Client ID No.

Affix Revenue Stamp

Note : If a Member is unable to attend the Meeting, he/she may complete this Proxy Form and send it to the Company at its Registered Office so as to reach not less than 48 hours before the time of holding the Meeting.

