



Rossell India Limited

Annual Report
2011 - 2012

ROSSELL INDIA LIMITED

BOARD OF DIRECTORS

H. M. Gupta, Executive Chairman

Dr. S. S. Bajjal, 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.

Commonwealth Bank of Australia

Development Credit Bank Ltd.

HDFC Bank Ltd.

REGISTERED OFFICE

Jindal Towers,

Block 'B', 4th Floor,

21/1A/3, Darga Road,

Kolkata 700 017

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ROSSELL INDIA LIMITED

Notice to the Members

Notice is hereby given that the Eighteenth Annual General Meeting of Rossell India Limited, will be held on **Friday, 10th August, 2012 at 10.30 A.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, 2012 and Reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares for the year ended 31st March, 2012.
3. To appoint a Director in place of Mr. V. P. Agarwal, 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 Resolutions:

5.1 As Special Resolutions :

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the members be and is hereby accorded to the re-appointment of Mr. H. M. Gupta as the Managing Director designated as Executive Chairman of the Company, for a period of 3 (three) years with effect from 1st May, 2012 to 30th April, 2015, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5.2 As Special Resolutions :

" RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 read with the Director's Relatives (Office or Place of Profit) Rules, 2011, or any statutory modification(s) or re-enactment thereof, consent of the Company be and is hereby accorded, subject to approval of the Central Government, for increase in remuneration payable to Mr. Rishab Mohan Gupta, Vice President, to such extent and in such manner as may be decided by the Board of Directors from time to time with effect from 1st August, 2012 within the overall remuneration limit of Rs. 2,50,000 per month to Rs. 5,00,000 per month."

" FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

Place : Kolkata
Date : 17th May, 2012

By Order of the Board

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

ROSSELL INDIA LIMITED

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 4th August, 2012 to 10th August, 2012 (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 10th August, 2012 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 as on that date.
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.
5. Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
6. Members are requested to
 - (i) quote their Registered Folio Numbers / Client ID Nos. in all correspondences with the Company / with the Registrars; and
 - (ii) promptly notify any change in their address to the Company / the Registrars, CB Management Services Private Limited, P-22, Bondel Road, Kolkata - 700 019, 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**

In terms of Clause 5A of the Listing Agreement, the Company's Registrars and Share Transfer Agent, C.B. Management Services Private Limited has sent three reminders to those shareholders whose physical Share Certificates are lying with them after being returned as undelivered. There has been some response leading to reduction in such unclaimed physical certificates. However, the balance unclaimed share certificates still lying with them will have to be transferred to the "Unclaimed Suspense Account", which is in the process of being opened with IL&FS Securities Services Limited, Mumbai.
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, 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

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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, 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 otherwise available with the Company's Registrar 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, if not already registered. 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 Registrar 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.

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

Place : Kolkata
Date : 17th May, 2012

By Order of the Board

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 Eighteenth Annual General Meeting to be held on Friday, 10th August, 2012.

Item No. 5.1

The existing terms of appointment of Mr. H. M. Gupta (Mr. Gupta), Executive Chairman expired on 30th April, 2012. Accordingly, pursuant to Article 159 of the Articles of Association of the Company, the Board of Directors, in their Meetings held on 17th April, 2012 and 17th May, 2012 re-appointed Mr. Gupta for a further period of 3 years with effect from 1st May, 2012, subject to approval of the Members of the Company by way of a Special Resolution, at the terms and conditions and the remuneration as recommended by the Remuneration Committee of the Board of Directors at their Meeting held on 17th May, 2012 and accepted by the Board of Directors, as under :

Salary :

Rs. 3,00,000 only per month in the range of Rs. 2,50,000 - Rs. 5,00,000. Annual increments to Mr. Gupta during his tenure shall be based on the recommendation of the Remuneration Committee within the aforesaid scale.

Perquisites and Allowances:

The sum total of all the perquisites and allowances in such form and in such manner, as may be decided from time to time shall be restricted to an amount equal to 100% of Annual Salary. Within the aforesaid ceiling Mr. Gupta shall be entitled to the following perquisites and such further perquisites and allowances, as may be decided by the Board of Directors from time to time, based on the recommendation of the Remuneration Committee:

- i) **Housing** : Rent-free furnished accommodation, for which rent shall not exceed 50% of the salary. The actual expenditure on gas, electricity, water and furnishing shall be paid by the Company.

In case no accommodation is provided, House Rent Allowance up to 50% of salary shall be payable to Mr. Gupta.
- ii) **Servants** : Provision of servants not exceeding three in numbers.
- iii) **Medical** : Reimbursement of expenses incurred for self and family, subject to a ceiling of one month's salary in one year or three months' salary over a period of three years.
- iv) **Contribution to Provident Fund** as per Rules of the Company.
- v) **Gratuity** payable at a rate not exceeding half a month's salary for each completed year of service as per Rules of the Company.
- vi) **Earned Leave** as per Rules of the Company. Leave not availed shall be allowed to be encashed.

Provision of Car for use on Company's business, telephones at residence and mobile telephones will not be considered as perquisites.

Perquisites shall be evaluated at the actual cost to the Company or as per Income Tax Rules, wherever applicable.

Commission :

Maximum @ 5% of the Net Profits, as may be decided by the Board from time to time, within the overall limit of the managerial remuneration as per the Act.

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Minimum Remuneration :

In the event of loss or inadequacy of profit in any Financial Year during the tenure of Mr. Gupta, he will be entitled to the Minimum Remuneration comprising of Salary, Perquisites and Allowances within the applicable ceiling as prescribed under Part II Section II Clause, 1(B) of Schedule XIII of the Act. Accordingly, the above Salary, Allowances and Perquisites shall be suitably adjusted.

Overall Remuneration :

The overall remuneration payable to Mr. Gupta shall not, subject to minimum remuneration as specified hereinabove, exceed 5% of the Net Profits of the Company in a Financial Year computed in the manner laid down in Section 309(5) of the Act with overall remuneration payable to all the managerial personnel remaining within the total ceiling of 10% of the Net Profits of the Company computed in the manner as aforesaid.

Option to draw Remuneration :

Since Mr. Gupta is also a Managing Director of another Public Limited Company, in accordance with Section III of Part II of Schedule XIII of the Act, Mr. Gupta may draw his remuneration from one or both the Companies, provided that the total remuneration drawn from the Companies does not exceed the higher maximum limit admissible from any one of the Companies, of which he is a Managing Director.

Disentitlement to Director's Fees :

Mr. Gupta shall not, so long as he functions as the Executive Chairman of the Company, be entitled to receive any fee for attending any Meeting of the Board or a Committee thereof.

Duties :

Mr. Gupta shall have substantial power of Management of the Company under the supervision, guidance and control of the Board.

Mr. Gupta is associated with the Company since its inception and well versed in International Trade and business, besides having comprehensive knowledge of Tea Industry. Thus, the Company would be immensely benefited with his continuous association. The Directors, thereafter, recommend adoption of the proposed special resolution for re-appointment of Mr. Gupta as Managing Director designated as Executive Chairman.

None of the Directors of the Company is concerned or interested in the proposed Special Resolution, except Mr. Gupta himself.

This may be construed as Memorandum showing the nature of concern or interest of the Director in the said re-appointment as required under Section 302 of the Companies Act, 1956.

Item No. 5.2

Mr. Rishab Mohan Gupta, (Mr. Rishab) son of Mr. H. M. Gupta, Executive Chairman has been employed in the Company since 1st January, 2008 as Manager (Projects) and thereafter as General Manager (Projects). Consent of the Members by way of Special Resolutions was obtained in the Annual General Meetings held on 28th July, 2008 and 31st July, 2009 for his appointment/ remuneration and increase in remuneration respectively. The increase in remuneration was since approved by the Central Government as per their letter reference SRN No. A-68179126-CL.VII dated 18th May, 2010 pursuant to Sec. 314(1B) of the Companies Act, 1956. Accordingly Mr. Rishab is in receipt of remuneration of Rs. 2,00,000 per month in the scale of Rs. 1,00,000- Rs. 2,00,000 at present.

Mr. Rishab has been actively involved in the operations of Aerotech Services and Rossell Techsys Divisions of the Company. He has also been instrumental in setting up Rossell Hospitality Division of the Company. In view

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of his excellent performance and future vision, your Directors considered it appropriate to elevate Mr. Rishab to the position of Vice President with effect from 17th May, 2012. Since his annual increment falls due on 1st August, 2012, the Board of Directors propose to increase his overall remuneration within the limits as embodied in the proposed Special Resolution, to commensurate with the responsibilities assigned to him and also to bring the same at par with other senior personnel in the similar cadre in the Company.

Mr. Rishab is 25 years old and did his education from Suffolk University, Boston, USA. With his educational background, business acumen and experience being acquired, the Company has immensely benefited. The Directors, therefore, recommend adoption of the proposed Special Resolutions for seeking your consent to increase the remuneration payable to Mr. Rishab, subject to further approval by the Central Government in terms of Sec. 314 of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit) Rules, 2011.

None of the Directors of the Company is concerned or interested in the proposed Special Resolutions, except Mr. H. M. Gupta, Executive Chairman, in his capacity as father of Mr. Rishab.

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

Place : Kolkata
Date : 17th May, 2012

By Order of the Board

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

Statement pursuant to the requirement of Part II, Section II Clause 1(B) of Schedule XIII to the Companies Act, 1956 for Remuneration proposed to be paid to Mr. H. M. Gupta (Mr. Gupta), Executive Chairman

I. General Information :

(1) Nature of Industry

The Company is a multi divisional Company and engaged in the following business:

- (a) Rossell Tea Division: Cultivation, Manufacture and Sale of Black Tea.
- (b) Aerotech Services Division: Technical and Support Services.
- (c) Rossell Techsys Division: Design and Development of Avionics Equipments.
- (d) Rossell Hospitality Division: Indian Quick Service Restaurants

(2) Date or expected date of commencement of commercial production

The Company is an existing Company and owns 5 Tea Estates in the State of Assam. The Aerotech Services Division and Rossell Techsys Division commenced business activities on and from 1st April, 2006 and 1st October, 2008 respectively. Rossell Hospitality Division was created on 1st December, 2011.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable.

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(4) Financial performance based on given indicators	(Rs. in lakhs)	
	<u>2011-2012</u>	<u>2010-2011</u>
Total Turnover	7,983.43	7,593.25
Operating Profit before Interest and depreciation	2,604.43	2,736.49
Less : Interest (Net of Susidy)	56.00	139.68
Profit before Depreciation	2,548.26	2,596.81
Depreciation	195.74	180.10
Profit before Exceptional Items	2,352.52	2,416.71
Exceptional Items	(72.00)	-
Profit before Taxation	2,280.52	2,416.71
(5) Export performance and net foreign exchange earnings		
Export Turnover (FOB Value)	2,015.56	1,165.30
Receipts for Technical and Support Services	770.50	768.07

(6) Foreign Investments and Collaborators, if any

During the year, the Company has invested Rs.345.35 lakhs in Foreign Currency to acquire 7,47,500 Preference Shares of US Dollar 1 each, fully paid up in RV Enterprizes Pte. Ltd.,Singapore.(Joint Venture). Total Foreign Investments as on 31st March, 2012 has been Rs. 648.87 lakhs.

As on 31st March, 2012, 13.94% of the Company's Equity Share Capital were held by Foreign Institutional Investors.

Rossell Aviation Private Limited, the Subsidiary Company, entered into a Joint Venture Agreement with CAE International Holdings Ltd., Canada on 4th August, 2011 to provide training solution for projects primarily related to offset obligation that foreign OEMs need to fulfill under their contract with the Ministry of Defence.

II. Information about the appointees

(1) Background details

Mr. Gupta is B.A. (Hons.) and expert in International Trade and Business. He has been associated with Aviation business for more than 30 years, besides having comprehensive knowledge of Tea Industry. He has been a Director of the Company since inception, Executive Vice Chairman since 1st May, 1996 and Executive Chairman since 1st February, 2001.

(2) Past Remuneration

Mr. Gupta was paid the remuneration in terms of the resolution passed by the Members of the Company in the Annual General Meeting held on 31st July, 2009. The remuneration for the year 2009-2010, 2010-2011 and 2011-2012 as the Executive Chairman was Rs. 112.86 lakhs, Rs.110.10 lakhs and Rs.103.51 lakhs respectively.

(3) Recognition or Awards

Mr. Gupta is a Member of the Executive Committee of Federation of Indian Chamber of Commerce and Industry.

(4) Job Profile and Suitability

As the Managing Director, Mr. Gupta has been in overall control of the entire operations of the Company since the last 16 years. He has been leading the Board of Directors of the Company in his capacity as Chairman. Having regard to his vast experience and insight into the Company, with comprehensive knowledge in both Tea and Aviation Industry, Mr. Gupta is perfectly suited for re-appointment as Executive Chairman of the Company.

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(5) Remuneration Proposed

The remuneration proposed to be paid to Mr. Gupta, as recommended by the Remuneration Committee and accepted by the Board of Directors, has been embodied in the proposed Special Resolutions.

(6) Comparative remuneration Profile with respect to Industry

Name of the Company	Designation	Total Remuneration Rs. in Lakhs	Year
Dhunseri Petrochem & Tea Ltd.	Executive Chairman	317.96	2010-2011
Warran Tea Ltd.	Executive Chairman	71.45	2010-2011
Goodricke Group Ltd.	Managing Director	142.10	2011

(7) Pecuniary Relationship

Except for the remuneration in consideration of his services rendered to the Company, Mr. Gupta does not have any pecuniary relationship with the Company. However, Mr. Gupta has provided certain sums to the Company, by way of Unsecured Loan repayable on demand, on which he is being paid interest at a rate below the prevailing market rate of interest. As a shareholder of the Company, Mr. Gupta and his relatives are also entitled to receive such dividend as may be declared by the Company in respect of each of the Financial Years.

III. Other Information

(1) Reasons of Loss or inadequate Profit

The profit of the Company for the year ended 31st March, 2012 is considered to be adequate keeping in view the profitability of other Tea Companies as well as the performance of other Divisions of the Company.

(2) Steps taken or Proposed to be taken for improvement

The Company continues to work on quality upgradation of its production of Tea. The improvement in quality of the Company's teas has been recognized in the trade. The Company has enlarged its marketing network. Emphasis is given to sell the produce at quality conscious segment of the market for better realization and higher Exports. The Company proposes to continue its policy to produce and market "a quality product through a prudent cost management." The Company is in the process of acquiring Namsang Tea Estate, District Dibrugarh, Assam in June, 2012 and on the look out for more Tea Estates both in India and overseas.

As regards Aviation Product and Services, the Company continues to focus on the Indian Defence Sector to address the increased potential for business. The Company has signed various MOUs with OEMs for offset work in this sector. A new world class facility has been set up at Bangalore with enhanced capabilities to meet the needs for quality and timely production.

Rossell Hospitality initially proposes to open outlets in Delhi and will expand within India and thereafter globally.

(3) Expected increase in Productivity and Profits in measurable terms

Although the present fundamentals in the market will have a favourable impact on the Indian Tea Scene as well as the Aviation Industry in the days ahead, the productivity and profitability can not be quantified in measurable terms.

Disclosures

(1) Information on the Remuneration Package of Managing Director

The details of the Remuneration package have been embodied in the proposed Special Resolutions.

(2) Disclosure under Corporate Governance in the Report of the Board of Directors

The Report on Corporate Governance in Annexure III to the Report of the Board of Directors includes the required disclosures.

ROSSELL INDIA LIMITED

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING EIGHTEENTH ANNUAL GENERAL MEETING

Name of the Director	Mr. H. M. Gupta	Mr. V. P. Agarwal
Date of Birth	September 13, 1954	July 01, 1943
Date of Appointment	June 10, 1994 as Director May 01, 1996 as Managing Director	May 12, 2009
Qualifications	B. A. (Hons.)	M.Com., FCS, AMP (Harvard Business School)
Expertise in specific functional areas	International Trade and Business besides having comprehensive knowledge of Tea Industry	Corporate Affairs and Management
List of Public Companies in which Directorship is held	BMG Enterprises Ltd. (Chairman and Managing Director) Rossell India Limited (Managing Director designated as 'Executive Chairman')	DCM Shriram Credit & Investments Ltd. DCM Shriram Acqua Foods Ltd. Rossell India Ltd. BMG Enterprises Ltd.
Chairman / Member of the Committees of the Board of the Companies on which he is a Director	Nil	DCM Shriram Credit & Investments Ltd. Audit Committee - Member DCM Shriram Acqua Foods Ltd. Audit Committee - Member Rossell India Ltd. Audit Committee - Member

ROSSELL INDIA LIMITED**Report of the Board of Directors for the year ended 31st March, 2012**

Your Directors have pleasure in presenting their Eighteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS**Rs. in Lakhs**

	Year ended 31.03.2012	Year ended 31.03.2011
Profit before Interest and Depreciation	2,604.43	2,736.49
Less: Interest (Net of subsidy)	56.17	139.68
Profit before Depreciation	2,548.26	2,596.81
Less : Depreciation	195.74	180.10
Profit before Exceptional Item	2,352.52	2,416.71
Exceptional Item	72.00	-
Profit before Taxation	2,280.52	2,416.71
Less : Provision for Current Taxation	475.00	485.00
Deferred Taxation adjustment	(65.00)	5.00
Profit after Taxation	1,870.52	1,926.71
Add: Balance Brought Forward	429.65	474.11
Profit available for Appropriation	2,300.17	2,400.82
Appropriated as under :		
General Reserve	1,800.00	1,800.00
Dividend on Equity Shares		
Proposed @ 20% (2011-20%)	146.79	146.79
Tax on Dividend	23.81	24.38
Balance Carried Forward	329.57	429.65
	2,300.17	2,400.82

DIVIDEND

Your Directors are pleased to recommend to the Members, for their approval, a dividend of Rs.0.40 per Equity Share of Rs.2 each in the Company for the year ended 31st March, 2012.

TURNOVER

The gross turnover of your Company including the receipts for technical and support services was Rs.7,983.43 lakhs for the current year as against Rs. 7,593.25 lakhs in the previous year.

Own crop during the year was 39.43 lakh kgs. as against 39.66 lakh kgs. in the previous year. The total crop inclusive of bought leaf production was 39.93 lakh kgs., as against 40.03 lakh kgs. in the previous year. The marginal decline in crop is attributable to adverse weather conditions in the later part of the year under review.

PERFORMANCE**Rossell Tea**

The Directors view with utmost satisfaction your Company's performance during the year under review. The Company once again achieved averages which were amongst the highest in the industry and continued to consolidate its position as amongst the best quality tea producers in Assam.

ROSSELL INDIA LIMITED

The Company's averages for its produce for the year under review was Rs. 171.52 as against Rs. 170.45 in the previous year. The average for Assam stood at Rs.122.64 per kg. These averages continue to reflect the high quality management and efforts that go into making tea at Rossell.

The year 2011 - 12 saw steady CTC prices whilst orthodox prices in the auctions declined sharply by Rs. 22 per kg. on the back of payment problems in Iran and teething problems following the introduction of the e-auction for orthodox teas. However, out performing the market your Company achieved averages marginally higher than previous year. This was made possible by higher exports of orthodox teas during the year and this, under the given circumstances, was a noteworthy performance. Exports grew 58% in volume terms, whilst realization values were higher by 9.76%.

Climate change continued to affect production levels. The period October 2011 to March 2012 saw one of the driest periods in the history of tea cultivation and this resulted in a very poor back end crop. In March 2012, with the continuing drought the Company's production was again affected resulting in a total annual production of 39.93 lac kgs for the year under review. However, our investments in the area of irrigation helped restrict the impact of the drought to a great extent.

During the year, the Company continued to upgrade and modernize its assets. Field development continued with uprooting and replanting targets being fully met. The Company has over the years continued to take a long term development perspective and this policy continues unchanged.

Our continuing policy of a prudent product mix once again paid dividends and helped in maintaining profitability at around 2010-11 levels. However 2011-12 saw very high inflationary levels with costs of all inputs rising to unexpected levels. The recent wage agreement in Assam will further affect the cost of production.

Aviation Products and Services

During the year under review, Vankesh Avionics Technologies Division has been rechristened as Rossell Techsys in May 2011. Simultaneously, a new world class facility has been setup in Bangalore which is involved in customized engineering solutions. The Company's main thrust areas are manufacture of loom and harnesses, design and development of automatic test equipment, system integration and embedded software solutions. Rossell Techsys has achieved international quality standards by getting AS 9100 Rev C and supplied equipments to various Public Sector Undertakings and Defence Research & Development Organisations.

Aerotech Services continues to provide product support services for OEM equipments fitted on various aircraft, helicopters and ships in India. As per the long term contract, the quantum of work has increased adding ground based platforms.

Rossell Hospitality

A new Division known as Rossell Hospitality was created on and from 1st December, 2011. This Division of the Company has decided to start an Indian Quick Service Restaurant (QSR) chain which would be called "Kebab Xpress".

PROSPECTS

Rossell Tea

World Black Tea production in 2011 has been lower by 25.75 million kgs. compared to 2010. African production was lower across the board, led by Kenya which saw a decline of 21.10 million kgs. Indian production of 988 million kgs. though higher by 22 million kgs. over the previous year, belied the early season hope of achieving 1.0 billion kgs. of production for the year, due to very dry conditions from October 2011 to March 2012. The opening to the new season globally, has been slow and all major black tea producing countries i.e. India, Sri Lanka and Kenya are running behind last year.

Poor back end crops have resulted in very tight opening stocks in the new season especially for CTC teas. The cumulative shortage in the market clearly indicates that CTC prices will be very buoyant and prices thus far confirm this. We expect CTCs to sell well through the year. There will be a large price concertina difference between medium and good teas. Orthodox too should sell well at levels higher than the previous year. Quality would continue to be the buzzword through 2012, along with the rising consumption trends in India.

ROSSELL INDIA LIMITED

Each year presents new challenges, be it drought, erratic weather patterns, or uncertain conditions in major orthodox consuming countries or rising cost of production. However, your Directors still view the year ahead with cautious optimism.

Aviation Products and Services

Rossell Techsys has signed a Memorandum of Understanding (MOUs) as an offset partner with Original Equipment Manufacturers (OEMs) against various defence and aviation contracts already signed between Ministry of Defence and foreign OEMs. We envisage significant growth in the offset segment.

Aerotech Services has been approached by new OEMs to provide product support services for their equipment fitted on various platforms.

Rossell Hospitality

Your Company initially proposes to open outlets in Delhi and will expand within India and thereafter globally. With a population of 1.2 Billion, India represents one of the largest consumer markets in the world. Additionally, the country enjoys one of the largest and most balanced demographics in terms of age, as India has more than 50% of its population below the age of 25 and more than 65% is below the age of 35. The tremendous growth in its population of young people is likely to bring about a shift in the Indian food service trends, as the young population drives the demand for processed foods. This would provide an impetus for the growth of the food service industry. The quick service restaurant landscape is dominated by western food chains offering western food with very limited Indianisation of the menu. Two income families and larger disposable income in India have generated demand for different type of food services, and QSR format addresses an important need of customers. The growth opportunities for Indian Fast Food has great potential in both India and globally.

SUBSIDIARY COMPANIES

During the year under review the entire shareholdings of Sigma Microsystems Private Limited was divested and sold on 29th June, 2011. Consequently, this Company ceased to be a Subsidiary of the Company thereafter.

Rossell Aviation Private Limited, the fully owned Subsidiary of your Company as on 31st March, 2012, entered into a Joint Venture Agreement with CAE International Holdings Ltd., Canada on 4th August, 2011, subject to approval from the Foreign Investment Promotion Board (FIPB). The required approval has since been received. The Company is in the process of changing its name to CAE Rossell India Ltd.

Upon implementation of the said Agreement, the Company will provide training solutions for projects primarily related to the Offset obligations that foreign OEMs need to fulfill under their contract with the Ministry of Defence. The Company will undertake installation, maintenance and operation of Simulators for the life of the program.

DIVESTMENT IN LEMON TREE HOTELS

As you will observe from the accounts, your Company had invested Rs. 2,947.51 lakhs as on 31st March, 2012 in Lemon Tree Hotels. Your Company has since sold and transferred its entire shareholding in Lemon Tree Hotels on 30th April, 2012 at an attractive price.

ACQUISITION OF NAMSANG TEA ESTATE

Your Company has signed an agreement dated 20th April, 2012 with Dhunseri Petrochem & Tea Ltd., Kolkata to purchase and acquire their Namsang T. E., Dibrugarh, Assam as a going concern in June, 2012.

This will enlarge the production base of your Company, which would surpass 5 million kgs. shortly.

Keeping in view our expansion plans, your Directors are on the look out for more Tea Estates both in India and overseas.

ROSSELL INDIA LIMITED

STAFF WELFARE AND SOCIAL ACTIVITIES

The Company has always espoused the principles which encompass welfare, health and safety of the employees at all levels. Workers health and well-being continues to be a priority with your Company. The infrastructure in the areas of welfare schemes, health, hygiene, education and water supply is being further upgraded. The sanitation initiative undertaken with UNICEF has been taken to the next level in the year under review.

Your Company is fully aware of its Corporate Social Responsibilities and our emphasis in respect thereof is briefly enumerated below:

a. Environment

To adopt environmental friendly agriculture and manufacturing policies.

b. Education

Well equipped schools for workers' children at all Estates.

c. Health

- i. Clean potable water for the entire population in the area where our Estates are located.
- ii. Well equipped hospital with trained staff.
- iii. A sanitation scheme in partnership with UNICEF.
- iv. Organizing camps for eye care, pulse polio for children and regular camps for sterilization.
- v. At the grass root level, mothers club to disseminate information on health, hygiene and alcoholism.
- vi. Vocational centres for knitting and tailoring.
- vii. 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, 2012 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2012 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, 2012 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, Mr. V. P. Agarwal retires at the forthcoming Annual General Meeting, but being eligible offers himself for re-appointment.

The terms of appointment of Mr. H. M. Gupta, Executive Chairman expired on 30th April, 2012. Accordingly, in the Meeting of the Board of Directors held on 17th April, 2012 and 17th May, 2012, he was re-appointed as Executive Chairman for a further period of three years from 1st May, 2012 to 30th April, 2015, subject to approval by the Members of the Company in the ensuing Annual General Meeting.

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 Structures and Developments

Rossell Tea

All India production in season 2011 was 988 million kgs., as against 966 million kgs. in season 2010 and 979 million kgs. in 2009. Exports were 192.90 million kgs. in 2011 as against 222.02 million kgs. in 2010. As in the previous three years with the crop being largely stagnant, very tight pipeline stocks created a strongly demand led market. In September 2011 crops were sufficiently ahead to indicate a final Indian crop for season 2011 of 1.0 billion kgs. A very dry back end from the months of October to December belied these expectations; with the Indian crop finishing below this landmark figure.

The market for CTC teas was firm through the year, and this was further accentuated later in the season, with crops declining owing to the prevailing drought. The orthodox market began very strongly. The collapse of the ACU payment mechanism in end December 2010 saw uncertainty in Indian exports of orthodox teas to Iran, through the year. This resulted in a weaker market for these teas and prices declined by Rs. 22 per kg. in the year for orthodox teas and further depressed the market. Your Company however achieved slightly higher average prices for orthodox than the previous year, thus outperforming the market yet again. Clearly quality is coming at a premium and our product reflects this admirably. The Company's exports were higher by 3.19 lakh kgs. or 58% as compared to the previous year and the turnover was higher by 76.97% at Rs. 20.60 crores thereby being Rs. 8.96 crores more than the previous year. This performance has to be viewed as exceptional.

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 policy 2012 is likely to be announced shortly. Offset work will be mandatory for all contracts which are awarded to overseas companies valued above Rs.300 Crores. Offsets will continue to be eligible against work to be done in defence, civil aviation and home land security. This will continue to provide vast opportunity for the growth of private participation in the Indian defence sector.

The Company continues to focus on this sector to address the increased potential for business. The Company has signed various MOUs with OEMs for offset work. A new world class facility has been set up in Bangalore with enhanced capabilities to meet the needs of quality and timely production.

Rossell Hospitality

The advent of eating out culture is continuously gaining momentum and the QSR categorically looks attractive. The popular QSR's are growing at 12% to 18% annually.

India is beginning to show up on the radar of the top food service chains and is likely to account for 10% of the new unit growth in the next 4-5 years.

The Company has started a base kitchen for conducting food trials. We are addressing all other subjects including design, packaging and other details of menu.

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(b) Opportunities and Threats

Rossell Tea

In the medium term world production of Black Tea has been stagnant with minor ups and downs. No major additional areas are coming under plantations in tea growing countries. Closer home in India uprooting and replanting operations under the SPTF scheme of the Government of India is gathering steam and simultaneously consumption in India is increasing. All this points to a strong market in the medium term. In 2011 world crop was lower by 25.75 million kgs. and the start this year in 2012 has not been exciting with Kenya and India lagging behind. The market is likely to remain demand led, but with a rider. Quality has to be the operative word. Price concertina between good and medium or poor teas will be huge. This applect can be upset only by the large scale production of poor teas. This has to be avoided.

Your Company's stated policy and practice is to produce the best possible quality teas. In this area our track record has been very good. With this has come international recognition and a greatly enhanced brand equity for the Company.

The political situation in the Middle East, a big tea drinking area has improved over last year. Payment issues with Iran look resolved. We therefore expect a buoyant prices both for internal and export segments.

With consumption of tea increasing worldwide there is need to position tea 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. Initial efforts in the US and other markets indicate a favourable response from consumers. In India too a start has been made but much needs to be done.

Tea is an agricultural crop and is therefore dependent on good growing conditions. Climate change and general vagaries of nature do impact production and these factors are largely not in our control. Nonetheless effects of droughts, hail and floods can be minimized by adherence to good agricultural practices.

Aviation Products and Services

Signing of MOUs with foreign OEMs has resulted in opportunities for partnerships, technology tie-ups and joint ventures. The Company continues to build technological skill, services and product portfolios to achieve benefit from offsets. The Company has focused on timely execution, quality and cost as well as on technical skill consolidation by getting the manpower certified. This will help in operational effectiveness and efficiency in meeting enhanced competition.

Private participation is here to stay in the defence sector and it will be your Company's endeavour to 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.

Rossell Hospitality

Favorable demographics and growing working population will augment demand for food chains. Growing disposable income, increasing urbanization as well as growth of tourism industry in India are gaining attention of international players. This will give an overall boost to the industry.

(c) Segment-wise Business Performance

Rossell Tea

The tea markets for orthodox teas were difficult in as much, prices fell by Rs. 22 for the year when compared to 2010. This was brought about by the Iran payment problems and teething problems experienced with the e-auction for orthodox teas. Nonetheless our attempts to create new markets and aggressively export our high quality orthodox teas bore fruit. The aim to continue to diversify our export markets is a major policy initiative for the Company.

We are pleased to report that we have been able to export larger volumes during the year under review. The export for the year was 8.68 lakh kgs., which was 21.15 % of our total sales as against 5.49 lakh kgs. which

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was 13.85% of our total sales in the previous year. The turnover from exports in the year 2011-12 Rs.2,060 lakhs as against Rs. 1,164 lakhs in the year 2010-11. In a difficult and challenging year this is a significant achievement.

Aviation Products and Services

Rossell Techsys continues to build on its technical and manpower capabilities to address other opportunities in the three different areas of activities namely looms and harnesses, test equipment and embedded software solutions.

Aerotech Services has contributed consistently towards the overall profitability of the Company.

Rossell Hospitality

Rossell Hospitality will look to build on its format and capabilities to successfully establish its brand in the market.

(d) Outlook

Rossell Tea

The current world production scenario indicates thus far a lower production globally, on the back of a very average 2011. In 2012 Kenya and India appear to have made a slow start and production is behind, due to the drought in both countries. We expect crops to recover somewhat in June and July but huge crop, both globally and in India, does not look feasible in 2012 as of now.

We expect the Indian market to be demand led and therefore, strong current prices support this view. Shortage in stocks will ensure better prices for the producers, coming as they do after a very heavy increase in the cost of production due to wage agreements and inflationary pressures. We reiterate that quality teas must be returned. Your Company continues with its mission on producing quality teas and there will be no change in 2012.

Aviation Products and Services

Rossell Techsys has signed a MOU with various foreign OEMs for offsets. As the foreign OEMs have to fulfill their offset obligations in the next 2-3 years, Rossell Techsys focus is in joint ventures / subcontract agreements / long term partnerships in the coming year to give a boost to your Company's aviation business.

Aerotech Services also expects the product support services business to continuously grow.

Rossell Hospitality

Current trends in the market indicate above average growth in the segment. We see the fundamentals in the Indian economy to remain strong thus expect a good growth. Your Company's strategy is to initially open two outlets in Delhi in the current financial year. Our assessment is that the ideal location for the outlets should be in a food hub with high footfalls located next to popular quick service restaurants.

(e) Risks and Concerns

Rossell Tea

Climate change continues to be a factor of risk. In a sense Tea being an agricultural crop, climate has always played a major role in the performance of this industry. The climate changes have become accentuated over the last decade and a half with changing rainfall patterns and regular drought indicators. On the ground we need to design strategies to minimize the impact of these changes.

The Tea market saw some impact due to the political problems in the Middle East last year. This saw lower exports into some of these countries including Iran. However with an improved political climate we expect normalcy in this year's exports to these countries. Given the problems in 2011, we expect a lower production of orthodox teas out of Assam. We feel that the decline in production will not be too much, if India is to be seen as a reliable producer of orthodox teas on the quality and quantity fronts.

Aviation Products and Services

Rossell Techsys current business is with Public Sector Undertakings. Inherently there are delays and

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associated spillovers. The business is through a tendering process which has to be fought fiercely with severe competition.

Aerotech Services has a long term contract and the risk to product support services continues to be negligible.

Rossell Hospitality

Rossell Hospitality business is directly proportionate to the happiness/success quotient of the economic sentiments. Inherently there are ups and downs in the market place. This business is an everyday business and is dealt with delicately with each and every customer arriving at our outlets.

Rossell Hospitality has a long term vision and the risk to business level is to be marginal.

(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 a firm 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.2,209.83 lakhs against Rs. 2,228.53 lakhs in the previous year.

The Aviation Products and Services business segment of the Company contributed Rs.328.92 lakhs to the operating profit before depreciation, as against Rs. 368.28 lakhs in the previous year.

The newly established Rossell Hospitality Division, being in the inception stage posted a marginal loss before depreciation of Rs. 7.25 lakhs.

The operating profit before depreciation for the Company is Rs.2,548.26 lakhs as against Rs.2,596.81 lakhs in the previous year. The financial base of your Company remains strong and we expect further strengthening thereof with better financial and operational performance in the future.

(h) Human Resources Development

Human resources are a valuable asset at the Corporate Office as also at the various units of your Company and adequate attention is paid to their development and well being. Your Company has continuous focus on human resources, who are trained from time to time to attain the required standards. The correct recruitment practices are in place to attract the best technical manpower to ensure that the Company maintains its competitive position with respect to execution.

Industrial relations at all the units remain satisfactory, where your Company employs 4,436 personnel on its roll.

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 lakhs per annum where employed for full year or Rs.5.00 lakhs 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 : 17th May, 2012

H. M. Gupta
Executive Chairman

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, 2012.

Particulars with respect to Conservation of Energy

1. Energy conservation measures taken : Replacement of old and outdated equipments, wherever required with energy efficient equipments giving higher output with less energy consumption.
2. Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy : Installation of energy saving equipments 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

	<u>Year ended 31st March, 2012</u>	<u>Year ended 31st March, 2011</u>
A. Power & Fuel Consumption :		
1. Electricity		
a) Purchased		
Units (Kwh in lakhs)	15.35	17.49
Total Amount (Rs. in Lakhs)	126.66	133.13
Rate/Unit (Rs.)	8.25	7.61
b) Own Generation		
i) Through Diesel Generator		
Units (Kwh in lakhs)	5.29	4.72
Unit/Ltr of Diesel Oil	2.79	2.62
Fuel Cost/Unit (Rs.)	14.44	14.59
ii) Through Natural Gas Generator		
Units (Kwh in lakhs)	8.87	9.03
Total Cost of Gas Consumed (Rs.in Lakhs)	16.27	16.18
Fuel Cost/ Unit (Rs.)	1.83	1.79
2. Natural Gas		
Quantity (Scm in lakhs)	20.85	22.18
Total Cost (Rs.in Lakhs)	109.80	108.73
Average Rate/Unit (Rs.)	5.27	4.90
3. Coal (Coke/Rom) for Tea Processing		
Quantity (MT)	1,794.64	1,865.58
Total Cost (Rs. in Lakhs)	96.90	82.73
Average Rate/Unit (Rs.)	5,399	4,435
B. Consumption per Unit of Production :		
Production - Tea (Gross) Lakh Kgs.	40.90	40.90
Electricity (Kwh)	0.72	0.76
Natural Gas (Scm)	0.82	0.89
Coal (Coke/Rom) (kgs)	1.17	1.18

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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 : 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.6.87 Lakhs (2011-Rs. 6.98 Lakhs) was made towards subscription for the year.
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 :

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : In-house seminars, discussions with experts and training programme were held for innovative ideas of production and to update the staff.
2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, production development, import substitution etc. : There has been an overall improvement in productivity and economy in cost was achieved.
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 : Not Applicable
 - 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 :

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 No. 11(d) (Additional Information) to the Accounts.

The foreign exchange outgo is given in Note No. 11(e) (Additional Information) to the Accounts.

For and on behalf of the Board

Place : Kolkata
Date : 17th May, 2012

H. M. Gupta
Executive Chairman

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, 2012.

EMPLOYED FOR THE FULL YEAR

Name	Age (in Years)	Date of commencement of Employment	Designation / Nature of Duties	Gross Remuneration (Rs. in lakhs)	Qualification	Last Employment held / Designation	Experience (in years)
H. M. Gupta	57	1st May, 1996	Executive Chairman	103.51	B.A. (Hons.)	BMG Enterprises Limited - Chairman & Managing Director (still continuing)	37

Notes :

1. The Gross Remuneration comprises Salary, Commission, Monetary value or Income Tax valuation of Perquisites and the Company's contribution to Provident Fund.
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 Directors of the Company.

For and on behalf of the Board

Place : Kolkata
Date : 17th May, 2012

H. M. Gupta
Executive Chairman

ROSSELL INDIA LIMITED

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, 2012 are given below:-

Director	Category	No. of Companies		
		Member of Board	Board Committees #	
			Chairman	Member
Mr. H.M. Gupta	Executive Chairman	8	-	-
Dr. S.S. Bajjal	Non-Executive-Independent	7	4	8
Mr. H.M. Parekh	Non-Executive-Independent	10	5	9
Mr. P.L. Agarwal	Non-Executive-Independent	10	2	6
Mr. V. P. Agarwal	Non-Executive-Independent	4	-	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, 4 Board Meetings were held on 18.05.2011, 11.08.2011, 09.11.2011 and 08.02.2012.

The last AGM was held on 11.08.2011.

Details of attendance:

Director	No. of Board Meetings Attended	Whether attended Last AGM
Mr. H.M. Gupta	4	Yes
Dr. S.S. Bajjal	4	Yes
Mr. H.M. Parekh	4	Yes
Mr. P.L. Agarwal	4	Yes
Mr. V. P. Agarwal	4	Yes
Mr. C.S. Bedi	4	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 18.05.2011, 11.08.2011, 09.11.2011 and 08.02.2012.

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. Baijal, Chairman	4
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. Baijal 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 / Wholetime Director of the Company.

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During the year under review, a Meeting of the Remuneration Committee was held on 18th May, 2011.

Remuneration as per Terms of Service paid to Directors during the year 2011-2012 : **Rs. in lakhs**

Name of Directors	Salary	Commission	Contribution to P. F. and other Funds	Value of Perquisites	Total
Mr. H.M. Gupta, Executive Chairman	29.75	56.33	3.57	13.86	103.51
Mr. C.S. Bedi, Managing Director	21.00	----	6.54	14.13	41.67

- 1) Mr. H.M. Gupta :
 Service contract : 01.05.2012 to 30.04.2015, subject to approval of the Members
 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 2011-2012 and their shareholding in the Company are as under: **Rs. in lakhs**

Non-Executive Directors	Board Fees	Committee Fees	Total	Commission	No. of Shares held
Dr. S.S. Bajjal	0.20	0.13	0.33	2.00	1,500
Mr. H.M. Parekh	0.20	0.33	0.53	1.00	-
Mr. P.L. Agarwal	0.20	0.03	0.23	1.00	-
Mr. V. P. Agarwal	0.20	0.10	0.30	1.00	-

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 9 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 17th May, 2012	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.

6. General Body Meetings :

Location and time where last three AGMs were held:

Date	Location	Time
31.07.2009	Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017	4.00 p.m.
29.07.2010	Gyan Manch, 11, Pretoria Street, Kolkata - 700 071	3.30 p.m.
11.08.2011	Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017	2.30 p.m.

No resolution was passed by the Members through Postal Ballots during the year under review:

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 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 increase in remuneration payable to Mr. Rishab Mohan Gupta as General Manager (Projects) with effect from 1st August, 2009, subject to approval of the Central Government.
- b) 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.
- c) In the Annual General Meeting held on 11th August, 2011:- Consent of the Members obtained under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 for payment of Commission made or to be made from time to time to Non-Executive Directors not in the wholetime employment of the Company within the limit of 1% (one percent) of the net profits of the Company for a period of five financial years.

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 as Clause 3 in Notes T to the Financial Statements for the year ended 31st March, 2012.

- 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, 2012. All other mandatory requirements have been duly complied with, to the extent applicable.

ROSSELL INDIA LIMITED

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.rossellindia.com.

F. Code for Prevention of Insider Trading

In accordance with Securities & 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 (English) (all editions) and Aajkal (Bengali) (Kolkata) and posted in the Website of the Company, www.rossellindia.com. The Shareholding Pattern at the end of each quarter is also posted on the said Website. The Financial Results as well as the Shareholding Pattern are sent to the Stock Exchanges for display on their Websites.
- b) Company's E-mail address : rossell@rossellindia.com; 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:

10th August, 2012 at 10.30 A.M.
Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017

(b) Financial calendar and Publication of Results:

The Financial Year of the Company is April to March.

Publication of Results were as follows:

Period	Approval by the Board of Directors
1st quarter ended 30th June, 2011	On 11.08.2011
2nd quarter ended 30th September, 2011	On 09.11.2011
1st Half: April - September	On 09.11.2011
3rd quarter ended 31st December, 2011	On 08.02.2012
Final Audited Results for the Year including for the 4th quarter ended 31st March, 2012	On 17.05.2012

(c) Book Closure period :

4th August, 2012 to 10th August, 2012 (both days inclusive)

ROSSELL INDIA LIMITED**(d) 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 2012-2013.

Scrip Code :

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

(e) Stock Price Data:

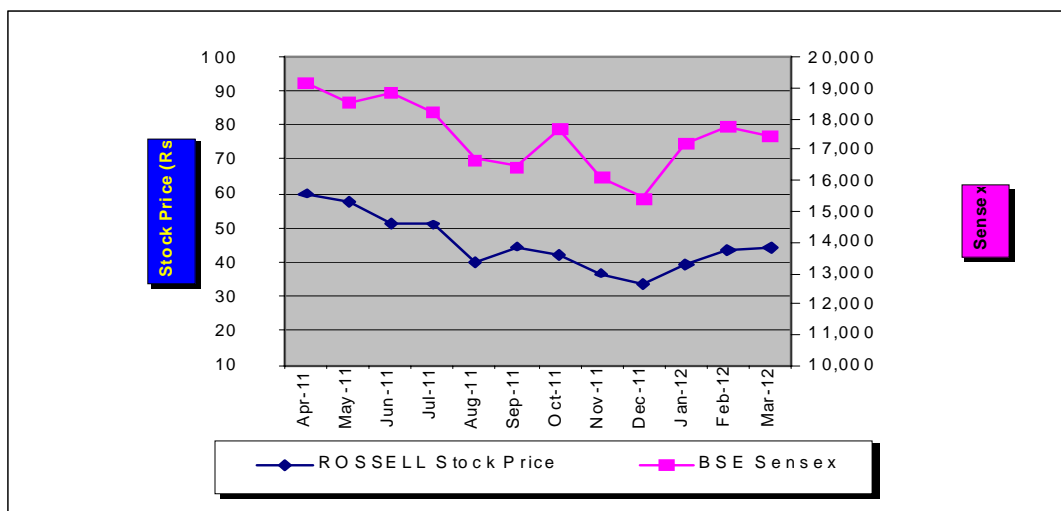
There was no transaction of the Equity Shares of the Company at The Calcutta Stock Exchange Limited and The Gauhati Stock Exchange Limited during the year ended 31st March, 2012. The last trading took place on The Calcutta Stock Exchange on 26th February, 2003. The Monthly High and Low Prices for trading of the Equity Share at Bombay Stock Exchange are as under: **Rs.**

Month	High	Low
April, 2011	70.55	55.70
May, 2011	60.10	50.00
June, 2011	59.85	47.05
July, 2011	65.85	48.65
August, 2011	53.00	38.70
September, 2011	53.00	38.05
October, 2011	44.20	38.00
November, 2011	43.50	32.10
December, 2011	39.00	30.10
January, 2012	46.95	31.35
February, 2012	52.80	38.05
March, 2012	49.95	39.65

ROSSELL INDIA LIMITED

(f) Stock Performance :

Company's Share Price vis-à-vis BSE Sensex:
(April, 2011 to March, 2012)



(g) Share Transfer System:

The Company's 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.

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

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, 2012, 3,57,42,150 Nos. of Equity Shares, representing 97.3994% of the Equity Capital have been dematerialised.

(j) (i) Distribution of shareholding as on 31st March, 2012

Range (No. of shares)	No. of Shareholders	%	No. of Shares held	%
1 to 500	5,821	89.95	8,90,462	2.43
501 to 1000	398	6.15	2,76,613	0.75
1001 to 2000	101	1.56	1,39,141	0.38
2001 to 3000	51	0.79	1,32,434	0.36
3001 to 4000	16	0.25	56,677	0.16
4001 to 5000	12	0.19	56,515	0.15
5001 to 10000	21	0.32	1,64,335	0.45
10001 & higher	51	0.79	3,49,80,298	95.32
TOTAL	6,471	100.00	3,66,96,475	100.00

ROSSELL INDIA LIMITED

(ii) Shareholding pattern as at 31st March, 2012

Category	No. of Shareholders	No. of Shares held	% to Equity Share Capital
Non-Resident Individuals	21	3,634	0.01
Foreign Institutional Investors	3	51,15,220	13.94
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	6,262	35,06,040	9.55
Nationalised Banks	2	90,150	0.25
Other Bodies Corporate	168	2,55,33,241	69.58
Total	6,471	3,66,96,475	100.00

* FI includes Insurance Company and other Banks.

Total Number of Equity Shares	3,66,96,475	100.00%
Number of Shares held by Promoter Group*	2,59,23,760	70.64%
Number of Shares held by Public	1,07,72,715	29.36%

*Not pledged or encumbered in any manner

(k) Plant Locations :

Rossell Tea Division of 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:

ASSAM

Dist. Dibrugarh

Dikom, Romai

Dist. Tinsukia

Nokhroy

Dist. Nalbari

Nagriajuli

Dist. Golaghat

Bokakhat

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

The Design and Development unit of Rossell Techsys division is located at Bangalore at the following address :

**No. 74, 3rd Cross, Export Promotional Industrial Park
Whitefield, Bangalore - 560 066.**

(l) Address for correspondence:

Registrars & Share Transfer Agents including Depository Registrar

CB Management Services Private Limited,

P-22, Bondel Road, Kolkata-700 019

Tel: (033) 40116700 / 40116711 / 40116718 / 40116720

Fax: (033) 2287-0263, E-Mail: rta@cbmsl.com

Compliance Officer

Mr. N.K.Khurana

Vice President (Finance)-cum- Company Secretary,

Rossell India Limited,

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

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

Tel: (033) 2287-4794/2290-3035, Fax: (033) 2287-5269

E-mail : nirmal.khurana@rossellindia.com / nk.khurana@rosselltea.com

For and on behalf of the Board

Place : Kolkata
Date : 17th May, 2012

H. M. Gupta
Executive Chairman

ROSSELL INDIA LIMITED

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

TO THE MEMBERS OF ROSSELL INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Rossell India Limited for the year ended 31st March, 2012 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 : 17th May, 2012

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 2011-2012 and shall comply with such Code during the year 2012-2013.

Place : Kolkata
Date : 17th May, 2012

H. M. GUPTA
Chief Executive Officer

CEO and CFO Certification

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

Dear Sirs,

We hereby certify to the Board that:

- a) We have reviewed Financial Statements and Cash Flow Statement for the year ended March 31, 2012 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 : 17th May, 2012

N. K. Khurana
Chief Finance Officer

ROSSELL INDIA LIMITED

Auditors' Report

To the Members of Rossell India Limited

We have audited the attached Balance Sheet of Rossell India Limited as at 31st March, 2012, 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, 2012 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, 2012 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, 2012,
 - (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 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

- (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 granted during the year unsecured loans to its Holding Company and also to Subsidiary Company. The Company has not granted any loan to any firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The year end balance of the said loan is Rs. 1.60 lakhs in respect of Subsidiary Company and Rs. 93.00 lakhs in respect of Holding Company. The maximum amount due at any time during the year in respect of said loan amounts to Rs. 1.60 lakhs and Rs. 93.00 lakhs respectively.
- (b) The Rate of Interest and other terms and conditions of such unsecured loan given to the Holding Company, in our opinion, are not prima facie pre-judicial to the Interest of the Company. The loan given to Subsidiary Company is interest free.
- (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 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. nil and the maximum amount involved during the year was Rs. 574.00 lakhs.
- (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.

ROSSELL INDIA LIMITED

- 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 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 Income Tax. The details are as follows :
- Appeal before the Commissioner of Income Tax (Appeals) for Rs. 70.65 lacs against various disallowances/additions made by the Assessing Officer in his Assessment Order for the Assessment Year 2009-2010.
- 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 had given guarantee for non-fund based facilities provided to a Subsidiary Company by a Bank. Terms and conditions of such guarantee prima facie were 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 : 17th May, 2012

ROSSELL INDIA LIMITED

Balance Sheet as at 31st March, 2012

	Note No.	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	A	733.93	733.93
(b) Reserves and Surplus	B	<u>15,986.96</u>	<u>14,358.60</u>
		<u>16,720.89</u>	<u>15,092.53</u>
(2) Non-Current Liabilities			
(a) Deferred tax liability (net)	C	–	52.00
(b) Long term provisions	D	<u>22.04</u>	<u>21.83</u>
		<u>22.04</u>	<u>73.83</u>
(3) Current Liabilities			
(a) Short term borrowings	E	943.41	1,348.63
(b) Trade payables	F	145.26	134.27
(c) Other current liabilities	G	650.60	559.85
(d) Short term provisions	H	<u>204.63</u>	<u>218.99</u>
		<u>1,943.90</u>	<u>2,261.74</u>
Total		<u><u>18,686.83</u></u>	<u><u>17,428.10</u></u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets :			
(i) Tangible assets	I	11,656.93	11,143.12
(ii) Intangible assets	J	71.88	20.64
(iii) Capital work-in-progress		43.97	15.42
(b) Non-current investments	K	3,671.68	3,564.64
(c) Deferred tax asset (net)	C	13.00	–
(d) Long term loans and advances	L	<u>826.14</u>	<u>957.94</u>
		<u>16,283.60</u>	<u>15,701.76</u>
(2) Current assets			
(a) Inventories	M	277.30	356.80
(b) Trade receivables	N	615.63	271.33
(c) Cash and cash equivalents	O	879.21	391.15
(d) Short term loans and advances	P	289.99	472.73
(e) Other current assets	Q	<u>341.10</u>	<u>234.33</u>
		<u>2,403.23</u>	<u>1,726.34</u>
Total		<u><u>18,686.83</u></u>	<u><u>17,428.10</u></u>
Contingent Liabilities and Commitments	R		
Dividend Proposed	S		
Significant Accounting Policies and Other Notes on Financial Statements	T		

Notes A to T 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
Membership No. 8816
Place : Kolkata
Date : 17th May, 2012

H. M. Gupta
Executive Chairman

C.S.Bedi
Managing Director

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

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

ROSSELL INDIA LIMITED

Profit and Loss Statement for the year ended 31st March, 2012

Particulars	Note No.	Rs. in Lakhs	
		2011-2012	2010-2011
I. Revenue from operations	1	8,263.70	7,759.99
II. Other Income	2	85.25	106.46
III. Total Revenue (I+II)		8,348.95	7,866.45
IV. <u>Expenses</u> :			
Cost of materials consumed	3	100.71	82.95
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	4	127.47	(61.12)
Employee benefits expense	5	3,113.79	2,740.68
Finance cost	6	56.17	139.68
Depreciation and amortization expense	7	195.74	180.10
Other expenses	8	2,402.55	2,367.45
Total Expenses		5,996.43	5,449.74
V. Profit before exceptional items and tax (III - IV)		2,352.52	2,416.71
VI. Exceptional Items	9	72.00	-
VII. Profit before tax (V - VI)		2,280.52	2,416.71
VIII. Tax expenses :			
(1) Current tax		475.00	485.00
(2) Deferred tax adjustment		(65.00)	5.00
		410.00	490.00
IX. Profit for the period (VII - VIII)		1,870.52	1,926.71
X. Earning per equity share :	10		
(1) Basic		5.10	5.25
(2) Diluted		5.10	5.25
Additional Information	11		

Notes 1 to 11 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
Membership No. 8816
Place : Kolkata
Date : 17th May, 2012

H. M. Gupta
Executive Chairman
C.S.Bedi
Managing Director

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

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

ROSSELL INDIA LIMITED

Cash Flow Statement for the year ended 31st March, 2012

	2011-2012	Rs. in Lakhs 2010-2011
A. Cash Flow from Operating Activities		
Profit before Tax	2,280.52	2,416.71
- Adjustment for :		
Depreciation	195.74	180.10
Finance Cost (Net)	56.17	139.68
Loss on Disposal of Fixed Assets (Net)	49.68	0.15
Provision for diminution in the value of Investments written back	(7.24)	-
Liabilities no more required written back	(3.13)	-
Loss on divestment of Subsidiary Company	72.00	-
Net Gain on sale of Investments	(7.00)	(3.57)
	356.22	316.36
	2,636.74	2,733.07
Items Considered in Investing Activity :		
Interest on Deposits etc.	(69.69)	(66.85)
Dividend	(1.32)	(2.19)
	(71.01)	(69.04)
Operating Profit before Working Capital Changes	2,565.73	2,664.03
- Adjustment for :		
Current Assets including Long Term Loans and Advances	(18.28)	(518.90)
Current Liabilities	103.06	(152.12)
	84.78	(671.02)
Cash Generated from Operations	2,650.51	1,993.01
Finance Cost (Net)	(56.17)	(139.68)
Direct Taxes (Net of refund)	(488.78)	(486.04)
	(544.95)	(625.72)
Cash Flow before Extraordinary Items	2,105.56	1,367.29
Extraordinary Items	-	-
Net Cash Flow from Operating Activities	2,105.56	1,367.29
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets including Advances for Capital Assets	(913.02)	(243.42)
Sale of Fixed Assets (Including Subsidy received from Tea Board)	55.44	11.74
Sale of Investments	68.25	130.58
Divestment of Shares held in the Subsidiary Company	153.56	-
Purchase of Investments	(386.61)	(210.03)
Compensation received from acquisition of Land	4.87	-
Interest Received	69.69	66.85
Dividend Received	1.32	2.20
Net Cash Flow from Investing Activities	(946.50)	(242.08)

ROSSELL INDIA LIMITED

	Rs. in Lakhs	
	<u>2011-2012</u>	<u>2010-2011</u>
C. Cash Flow from Financing Activities		
Intercorporate deposits(ICD) (repaid) /taken including interest accrued thereon	(46.00)	(1,138.31)
Intercorporate Deposits Paid	(94.60)	-
Repayment of External Commercial Borrowings	-	(451.40)
Repayment of Short/Medium Term Borrowings from Banks(Net)	-	(41.22)
Proceeds of Short Term Loan from Bank (Net)	(359.23)	266.44
Dividend Paid and Tax thereon - Final Dividend 2009-2010	-	(85.87)
- Final Dividend 2010-2011	(171.17)	-
Net Cash Flow from Financing Activities	<u>(671.00)</u>	<u>(1,450.36)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	488.06	(325.15)
Cash and Cash Equivalents as at 31.03.2011		
(Opening Balance)	391.15	716.30
Cash and Cash Equivalents as at 31.03.2012		
(Closing Balance)	<u>879.21</u>	<u>391.15</u>

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
Membership No. 8816
Place : Kolkata
Date : 17th May, 2012

H. M. Gupta
Executive Chairman

C.S.Bedi
Managing Director

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

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

ROSSELL INDIA LIMITED

Notes to the Balance Sheet

	<u>As at 31st March, 2012</u>	<u>Rs. in Lakhs As at 31st March, 2011</u>
A. SHARE CAPITAL		
Authorised		
4,50,00,000 Equity Shares of Rs. 2 each	<u>900.00</u>	<u>900.00</u>
Issued and Subscribed		
3,66,96,475 Equity Shares of Rs. 2 each fully paid up	<u>733.93</u>	<u>733.93</u>
Remarks		
a. All the above Equity Shares rank pari passu in all respect for the distribution of dividend, voting rights and the repayment of capital.		
	No. of Equity Shares	No. of Equity Shares
b. Equity Shares held by the Holding Company, BMG Enterprises Ltd.	2,31,63,795	2,31,63,795
c. Equity Shares held by the Associate of Holding Company Harvin Estates Pvt. Ltd.	4,71,045	4,71,045
d. Details of Shareholders holding more than 5% Shares		
Name of the Shareholder	No. of Equity Shares and % of Holding	No. of Equity Shares and % of Holding
BMG Enterprises Ltd.	2,31,63,795 63.12	2,31,63,795 63.12
Elara India Opportunities Fund Ltd.	35,00,000 9.54	35,00,000 9.54
Harsh Mohan Gupta	18,53,785 5.05	18,53,785 5.05
	<u><u>5.05</u></u>	<u><u>5.05</u></u>
B. RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last Account	225.46	225.46
Add: Compensation received on Sale of Land	4.87	-
	<u>230.33</u>	<u>225.46</u>
Securities Premium Account		
Balance as per last Account	2,609.55	2,609.55
	<u>2,609.55</u>	<u>2,609.55</u>
Revaluation Reserve		
Balance as per last account	5,228.92	5,299.64
Less : Withdrawal on account of depreciation on incremental amounts upon revaluation (Note I)	76.43	70.72
	<u>5,152.49</u>	<u>5,228.92</u>
General Reserve		
Balance as per last Account	5,865.02	4,065.02
Add : Transfer from Profit and Loss Account	1,800.00	1,800.00
	<u>7,665.02</u>	<u>5,865.02</u>
Surplus in Profit and Loss Account		
Balance as per last Account	429.65	474.11
Add : Balance as per Profit and Loss Account	1,870.52	1,926.71
	<u>2,300.17</u>	<u>2,400.82</u>
Less : Transfer to General Reserve	1,800.00	1,800.00
	<u>500.17</u>	<u>600.82</u>
Less : Dividend on Equity Shares	146.79	146.79
Tax on Dividend	23.81	24.38
	<u>329.57</u>	<u>429.65</u>
	<u><u>15,986.96</u></u>	<u><u>14,358.60</u></u>

ROSSELL INDIA LIMITED

	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
C. DEFERRED TAX LIABILITIES/ASSET (NET)		
<p>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. 52.00 lakhs as on 31st March, 2011. During the year, a review with respect to the carrying amount of Deferred Tax Liability was done and the same was reversed with recognition of Deferred Tax Asset of Rs. 13.00 lakhs as on 31st March, 2012. Thus, an amount of Rs.65.00 lakhs has been shown as Deferred Taxation Adjustment in the Profit and Loss Statement for the year ended 31st March, 2012. The components of Deferred Tax Asset/ Liability are as under :</p>		
Deferred Tax Liability		
Depreciation as per Books and Tax Laws	–	52.00
Deferred Tax Asset		
Depreciation as per Books and Tax Laws	<u>13.00</u>	<u>–</u>
	<u>13.00</u>	<u>52.00</u>
D. LONG TERM PROVISIONS		
Provision for employee benefits	<u>22.04</u>	<u>21.83</u>
E. SHORT TERM BORROWINGS		
Secured Loans		
Loans repayable on demand from Banks	<u>943.41</u>	<u>1,302.63</u>
Unsecured Loans		
Loans and advances from related parties		
Loan from Managing Director (Executive Chairman)	–	31.50
Intercorporate Deposits	<u>–</u>	<u>14.50</u>
	<u>–</u>	<u>46.00</u>
	<u>943.41</u>	<u>1,348.63</u>
Remark		
<p>The loans from Banks are secured on pari passu basis by hypothecation of tea crops and moveable assets of all the Tea Estates of the Company and collaterally secured on pari passu basis by Equitable Mortgages of Dikom Tea Estate, Nokhroy Tea Estate, Bokakhat Tea Estate and Romai Tea Estate of the Company.</p>		
F. TRADE PAYABLES		
Sundry Creditors	<u>145.26</u>	<u>134.27</u>
G. OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings	<u>3.11</u>	<u>6.12</u>
Unpaid Dividends*	<u>5.22</u>	<u>3.51</u>
Other Payables		
For Expenses etc.	<u>601.02</u>	<u>516.41</u>
Statutory Dues	<u>41.25</u>	<u>33.81</u>
	<u>642.27</u>	<u>550.22</u>
	<u>650.60</u>	<u>559.85</u>
<p>*Investor Education and Protection Fund shall be credited with the amount of Unpaid Dividends, when due.</p>		
H. SHORT TERM PROVISIONS		
Provision for Taxation (Net)	<u>34.03</u>	<u>47.82</u>
Proposed Dividend	<u>146.79</u>	<u>146.79</u>
Tax on Dividend	<u>23.81</u>	<u>24.38</u>
	<u>204.63</u>	<u>218.99</u>

ROSSELL INDIA LIMITED

	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
I. TANGIBLE ASSETS		
Land and Planted Teas		
Gross Carrying Amount as at the beginning of the year	6,657.72	6,655.99
Add: Additions during the year	<u>33.24</u>	<u>1.73</u>
	6,690.96	6,657.72
Less: Disposal during the year	<u>—</u>	<u>—</u>
Gross Carrying Amount as at the end of the year	6,690.96	6,657.72
Less: Accumulated Depreciation at the beginning of the year	<u>—</u>	<u>—</u>
Depreciation provided for the year	<u>—</u>	<u>—</u>
Net Carrying Amount as at the end of the year	6,690.96	6,657.72
Net Carrying Amount at the beginning of the year	6,657.72	6,655.99
Buildings		
Gross Carrying Amount as at the beginning of the year	2,990.26	2,951.07
Add: Additions during the year	<u>119.46</u>	<u>39.19</u>
	3,109.72	2,990.26
Less : Disposal during the year	<u>8.65</u>	<u>—</u>
Gross Carrying Amount as at the end of the year	3,101.07	2,990.26
Less : Accumulated Depreciation at the beginning of the year	<u>343.51</u>	<u>282.81</u>
Depreciation provided for the year	<u>61.50</u>	<u>60.70</u>
	2,696.06	2,646.75
Add : Depreciation written back on disposal	<u>0.34</u>	<u>—</u>
Net Carrying Amount as at the end of the year	2,696.40	2,646.75
Net Carrying Amount at the beginning of the year	2,646.75	2,668.26
Plant and Equipment		
Gross Carrying Amount as at the beginning of the year	2,243.90	2,199.18
Add: Additions during the year	<u>346.14</u>	<u>56.44</u>
	2,590.04	2,255.62
Less: Adjustment/ disposal during the year*	<u>60.66</u>	<u>11.72</u>
Gross Carrying Amount as at the end of the year	2,529.38	2,243.90
Less: Accumulated Depreciation at the beginning of the year	<u>867.07</u>	<u>737.38</u>
Depreciation provided for the year	<u>134.11</u>	<u>129.69</u>
	1,528.20	1,376.83
Add: Depreciation written back on disposal	<u>6.69</u>	<u>—</u>
Net Carrying Amount as at the end of the year	1,534.89	1,376.83
Net Carrying Amount at the beginning of the year	1,376.83	1,461.80
* This includes receipts from Tea Board of India towards Subsidy against Machinery added during earlier years-Rs. 47.54 lakhs		
Furniture and Fixtures		
Gross Carrying Amount as at the beginning of the year	164.07	163.00
Add : Additions during the year	<u>213.30</u>	<u>1.07</u>
	377.37	164.07
Less : Disposal during the year	<u>35.64</u>	<u>—</u>
Gross Carrying Amount as at the end of the year	341.73	164.07
Less : Accumulated Depreciation at the beginning of the year	<u>69.93</u>	<u>59.64</u>
Depreciation provided for the year	<u>12.48</u>	<u>10.29</u>
	259.32	94.14
Add : Depreciation written back on disposal	<u>5.30</u>	<u>—</u>
Net Carrying Amount as at the end of the year	264.62	94.14
Net Carrying Amount at the beginning of the year	94.14	103.36

ROSSELL INDIA LIMITED

	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
Vehicles		
Gross Carrying Amount as at the beginning of the year	455.90	372.27
Add: Additions during the year	<u>79.03</u>	<u>83.63</u>
	534.93	455.90
Less: Adjustment/ disposal during the year*	<u>15.02</u>	<u>-</u>
Gross Carrying Amount as at the end of the year	519.91	455.90
Less: Accumulated Depreciation at the beginning of the year	174.50	139.55
Depreciation provided for the year	<u>42.34</u>	<u>34.95</u>
	303.07	281.40
Add : Depreciation written back on disposal	<u>11.00</u>	<u>-</u>
Net Carrying Amount as at the end of the year	<u>314.07</u>	<u>281.40</u>
Net Carrying Amount at the beginning of the year	<u>281.40</u>	<u>232.72</u>
* This includes refund by a vendor for Vehicle added during earlier year - Rs. 1.00 lakh		
Office Equipments		
Gross Carrying Amount as at the beginning of the year	86.11	81.93
Add : Additions during the year	<u>55.09</u>	<u>4.45</u>
	141.20	86.38
Less : Disposal during the year	<u>7.46</u>	<u>0.27</u>
	133.74	86.11
Less : Accumulated Depreciation at the beginning of the year	26.58	18.69
Depreciation provided for the year	<u>5.83</u>	<u>7.99</u>
Gross Carrying Amount as at the end of the year	101.33	59.43
Add : Depreciation written back on disposal	<u>0.92</u>	<u>0.10</u>
Net Carrying Amount as at the end of the year	<u>102.25</u>	<u>59.53</u>
Net Carrying Amount at the beginning of the year	<u>59.53</u>	<u>63.24</u>
Computers		
Gross Carrying Amount as at the beginning of the year	67.26	64.75
Add: Additions during the year	<u>37.88</u>	<u>2.51</u>
	105.14	67.26
Less : Disposal during the year	<u>5.08</u>	<u>-</u>
Gross Carrying Amount as at the end of the year	100.06	67.26
Less : Accumulated Depreciation at the beginning of the year	40.51	35.13
Depreciation provided for the year	<u>8.96</u>	<u>5.38</u>
	50.59	26.75
Add : Depreciation written back on disposal	<u>3.15</u>	<u>-</u>
Net Carrying Amount as at the end of the year	<u>53.74</u>	<u>26.75</u>
Net Carrying Amount at the beginning of the year	<u>26.75</u>	<u>29.62</u>
Aggregate of Net Carrying Amount as at the end of the year	<u>11,656.93</u>	<u>11,143.12</u>

Note :

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. 5,365.55 lakhs was added to cost with corresponding credit to Revaluation Reserve as at 31st March, 2008, as under:

	Rs. in Lakhs
1. Plantations	3,151.00
2. Buildings	1,711.27
3. Plant and Machinery	<u>503.28</u>
Total	<u>5,365.55</u>

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.76.43 lakhs (2011- Rs. 70.72 lakhs) during the year.

ROSSELL INDIA LIMITED

	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
J INTANGIBLE ASSETS		
Computer Software		
Gross Carrying Amount as at the beginning of the year	22.88	3.57
Add: Additions during the year	<u>58.19</u>	<u>19.31</u>
	81.07	22.88
Less: Disposal during the year	<u>—</u>	<u>—</u>
	81.07	22.88
Less: Accumulated Depreciation at the beginning of the year	2.24	0.42
Depreciation provided for the year	<u>6.95</u>	<u>1.82</u>
Net Carrying Amount as at the end of the year	<u>71.88</u>	<u>20.64</u>
Net Carrying Amount at the beginning of the year	<u>20.64</u>	<u>3.15</u>
K. NON-CURRENT INVESTMENT		
At Cost		
Trade Investments: Unquoted		
In Equity Instruments		
Rossell Aviation Private Limited (Subsidiary Company) 10,000 (2011 -10,000) Equity Shares of Rs. 10 each fully paid up	1.00	1.00
Application Money for 13,44,200 Equity Shares at Rs. 1 each	<u>13.44</u>	—
Sigma Microsystems Private Limited (Subsidiary Company till 29th June, 2011) Nil (2011 -5,62,500) Equity Shares of Rs. 10 each fully paid up	—	225.56
50,000 (2011- 50,000) Equity Shares of Rs.10 each fully paid up of Assam Hospitals Limited	5.00	5.00
1,04,162 (2011- 99,962) Equity Shares of Rs.1 each fully paid up of Celsia Hotels Private Limited	1,507.35	1,501.28
14,44,500 (2011- 14,44,500) Equity Shares of Rs.1 each fully paid up of PSK Resorts & Hotels Private Limited	390.01	390.01
10,65,000 (2011-10,65,000) Equity Shares of Rs.1 each fully paid of Hyacinth Hotels Private Limited	1,050.15	1,050.15
3,61,007 (2011- 3,61,007) Equity Shares of Singapore\$ 1 each fully paid up of RV Enterprizes Pte. Ltd., Singapore (Joint Venture)	120.04	120.04
In Preference Shares		
11,47,500 (2011- 4,00,000) Non-Cumulative Redeemable Preference Shares of US Dollar 1 each fully paid up of RV Enterprizes Pte. Ltd. Singapore (Joint venture)	528.83	183.48
Other Investments: Unquoted		
In Mutual Funds		
Face value Rs.10 each 1,50,000 (2011-1,50,000) Sundaram BNP Paribas Energy Opportunities Fund- Dividend	15.00	15.00
In Bonds		
2,175 (2011- Nil) Tax Free Secured Redeemable Non Convertible Bonds of Rs. 1,000 each in Railway Finance Corporation Ltd.	21.75	—

ROSSELL INDIA LIMITED

	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
Other Investments : Quoted In Equity Instruments		
Fully Paid Equity Shares of Rs.10 each		
Nil (2011- 13,840) Mysore Petro Chemicals Limited	-	7.50
Nil (2011-1,250) ICICI Bank Ltd.	-	9.39
Nil (2011-7,000) Power Grid Corporation of India Ltd.	-	9.05
2,972 (2011-2,972) NTPC Ltd.	6.84	6.84
Nil (2011-849) CESC Ltd.	-	2.76
552 (2011-552) Gujrat Narmada Fertiliser Ltd.	0.83	0.83
Nil (2011-357) Rallis India Ltd.	-	0.99
3,309 (2011-3,309) PTC India Ltd.	3.43	3.42
Nil (2011-221) United Spirits Ltd.	-	1.94
Nil (2011-390) Aditya Birla Nuvo Ltd.	-	3.48
Nil (2011-181) GAIL (India) Ltd.	-	0.57
Nil (2011-1,000) Indian Oil Corporation Ltd.	-	2.91
50 (2011- 50) Future Market Networks Ltd. (formerly Agre Developers Ltd.)	-	-
Fully Paid Equity Shares of Rs.5 each		
2,138 (2011-2,138) Network 18 Media & Investments Ltd.	7.11	7.11
Nil (2011-720) Oil & Natural Gas Corporation Ltd.	-	1.98
Nil (2011-800) Bharti Airtel Ltd.	-	3.38
Fully Paid Equity Shares of Rs.2 each		
1,000 (2011-1,000) GMR Infrastructure Ltd.	0.90	0.90
Nil (2011-1,018) Pantaloon Retail (India) Ltd.	-	3.08
Nil (2011-2,546) Gujarat Mineral Development Corpn. Ltd.	-	2.52
Fully Paid Equity Shares of Rs.1 each		
Nil (2011-1,476) Godrej Industries Ltd.	-	2.36
Nil (2011-6,262) ITC Ltd.	-	6.25
Nil (2011- 5,425) Mercator Lines Ltd.	-	3.10
	3,671.68	3,571.88
Less : Provision for diminution in the value of Investments	-	7.24
	3,671.68	3,564.64
Aggregate amount of Quoted Investment	19.11	73.12
Aggregate amount of Unquoted Investment	3,652.57	3,491.52
	3,671.68	3,564.64
Market Value of Quoted Investment	9.40	79.73
L. LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	237.55	293.42
Security Deposits	114.11	79.35
Other Deposits	0.20	0.10
Deposit with NABARD	210.57	373.06
Deposit with Assam Financial Corporation	263.71	212.01
	826.14	957.94
M. INVENTORIES		
Stock of Tea at lower of cost and net realisable value	41.76	157.65
Stock of Stores and Spares at or under cost	206.58	165.95
Stock of Raw Materials at cost	14.96	7.62
Work-in-progress at works cost	14.00	25.58
	277.30	356.80

ROSSELL INDIA LIMITED

	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
N. TRADE RECEIVABLES		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	264.09	6.28
Other Debts	<u>351.54</u>	<u>265.05</u>
	<u>615.63</u>	<u>271.33</u>
O. CASH AND CASH EQUIVALENTS		
Balances with Banks	145.09	28.89
Margin Money Account	21.29	2.19
Bank Deposits for less than 12 months maturity	700.00	350.00
Unpaid Dividend Accounts	5.22	3.51
Cash on Hand	<u>7.61</u>	<u>6.56</u>
	<u>879.21</u>	<u>391.15</u>
P. SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Deposits		
Intercorporate Deposits	-	100.00
Loans and Advances to Related Parties		
Intercorporate Deposits to Holding Company	93.00	-
Intercorporate Deposits to Subsidiary Company	1.60	247.10
Other Loans and Advances		
Advances recoverable in Cash or in Kind or for value to be received	<u>195.39</u>	<u>125.63</u>
	<u>289.99</u>	<u>472.73</u>
Q. OTHER CURRENT ASSETS		
Interest Accrued on Deposits		
Subsidiary Company	-	18.14
Others	<u>50.93</u>	<u>25.91</u>
	<u>50.93</u>	<u>44.05</u>
Other Receivables	<u>290.17</u>	<u>190.28</u>
	<u>341.10</u>	<u>234.33</u>
R. CONTINGENT LIABILITIES AND COMMITMENTS		
Estimated amount of Contingent Liabilities not provided for :		
a. Claims against the Company not acknowledged as Debt		
Central Sales Tax (Assam)	-	474.79
Income Tax	70.65	-
Land Revenue, Local Rates and Surcharge for Bokakhat T.E.	<u>18.49</u>	<u>18.49</u>
b. Guarantees		
i) Corporate Guarantee to HDFC Bank Ltd. for securing the Non-Fund Based Working Capital facilities to Sigma Microsystems Pvt. Ltd. (Subsidiary Company till 29th June, 2011)	-	90.00
ii) Bank Guarantees outstanding	<u>204.63</u>	<u>-</u>
c. Uncalled Liability on Shares partly paid up (Subsidiary Company)	<u>120.98</u>	<u>-</u>
Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance)	<u>477.89</u>	<u>425.54</u>
S. DIVIDEND PROPOSED		
Amount of Dividend proposed to be distributed to Equity Shareholders for the Financial Year 2011-2012	146.79	146.79
Dividend per Equity Share of Rs. 2 each	Rs. 0.40	Rs. 0.40
% of Dividend proposed	<u>20.00</u>	<u>20.00</u>

	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 : 17th May, 2012	<i>Managing Director</i>		

ROSSELL INDIA LIMITED

Notes to the Profit and Loss Account

	<u>2011-2012</u>	<u>2010-2011</u>
1. REVENUE FROM OPERATIONS		
(a) Sale of Products	7,037.51	6,757.36
Black Tea	137.87	67.82
Avionics, Aviation and Electronic Equipments	7,175.38	6,825.18
(b) Sale of Services		
Receipts for Technical and Support Services	808.05	768.07
(c) Other Operating Revenues		
Subsidy - Replanting	63.01	11.84
Tea Board Orthodox Subsidy Scheme	93.04	89.46
Sale of Duty Credit Entitlements Licence	117.26	70.42
Duty Drawback	11.77	-
Sundry Receipts	25.36	7.55
Liabilities no more required written back	3.13	-
	313.57	179.27
Total	8,297.00	7,772.52
Less : Excise Duty	13.19	-
Tea Cess	20.11	12.53
	8,263.70	7,759.99
2. OTHER INCOME		
Interest Income	69.69	66.85
Dividend Income	1.32	2.19
Net gain on Sale of Investments	7.00	3.57
Provision for diminution in the value of Investments written back	7.24	-
Net gain on Foreign Currency transactions/ translation	-	33.85
	85.25	106.46
3. COST OF MATERIALS CONSUMED		
Purchase of Green Leaf	33.41	24.86
Consumption of Raw Materials	67.30	58.09
	100.71	82.95
4. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock Of Tea	157.65	103.41
Less:Closing Stock Of Tea	41.76	157.65
	115.89	(54.24)
Opening Stock Of Work-in-Progress	25.58	18.70
Less : Closing Stock Of Work-in-Progress	14.00	25.58
	11.58	(6.88)
	127.47	(61.12)
5. EMPLOYEE BENEFITS EXPENSE		
Salaries,Wages and Bonus	2,475.95	2,225.53
Contribution to Provident and other Funds	356.73	235.89
Workmen and Staff Welfare	281.11	279.26
	3,113.79	2,740.68

ROSSELL INDIA LIMITED

	2011-2012	Rs. in Lakhs <u>2010-2011</u>
6. FINANCE COST		
(a) Interest		
Banks	80.84	76.43
Intercorporate Deposits	5.79	24.93
Unsecured Loan from Managing Director (Executive Chairman)	5.23	48.21
	<u>91.86</u>	<u>149.57</u>
Less: Interest Subsidy	35.97	11.23
	<u>55.89</u>	<u>138.34</u>
(b) Other Borrowing Costs	0.28	1.34
	<u>56.17</u>	<u>139.68</u>
7. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	272.17	250.82
Less: Depreciation on amounts added on revaluation	76.43	70.72
	<u>195.74</u>	<u>180.10</u>
8. OTHER EXPENSES		
Consumption of Stores and Spare Parts	473.92	663.63
Power and Fuel	515.44	470.84
Cess on Green Leaf	68.34	68.70
Rent	74.73	53.68
Rates and Taxes	22.36	22.48
Repairs to Building	80.79	78.65
Repairs to Machinery	119.43	120.97
Other Repairs and Maintenance	17.64	13.81
Vehicles Maintenance	126.93	118.43
Transportation	130.05	112.84
Shipment Charges	59.22	20.45
Warehousing and Selling Expenses	121.92	120.34
Brokerage	46.09	53.89
Commission on Sales	49.81	31.45
Insurance	20.60	18.36
Directors' Fee & Commission	6.38	6.50
Auditors' Remuneration	4.80	3.55
Travelling and Conveyance	90.72	117.56
Miscellaneous Expenses	314.58	271.17
Net loss on Foreign Currency transactions/ translation	9.12	-
Loss on Disposal of Fixed Asset (Net)	49.68	0.15
	<u>2,402.55</u>	<u>2,367.45</u>
9. EXCEPTIONAL ITEMS		
Loss on Divestment of Subsidiary Company	72.00	-
Note:		
5,62,500 Equity Shares of Rs. 10 each held in Sigma Microsystems Private Limited, Subsidiary Company were divested and transferred on 29th June, 2011. The loss on such divestment, as above, has been considered as Exceptional Item and shown accordingly.		
10. EARNINGS PER EQUITY SHARE		
Basic and Diluted as computed as per Accounting Standard AS-20		
Profit after Taxation (Rs. in Lakhs)	1,870.52	1,926.71
Weighted average number of Equity Shares outstanding (in Lakhs)	366.96	366.96
Earnings per Equity Share of Rs. 2 each (Rs.)	<u>5.10</u>	<u>5.25</u>

ROSSELL INDIA LIMITED

	2011-2012	2010-2011
11. ADDITIONAL INFORMATION		
(a) Auditors' Remuneration		
As Auditor	2.76	1.99
For Other Services		
Tax Audit Fee	0.33	0.27
Certification Job	1.65	1.23
Re-imburement of Expenses	0.06	0.06
	4.80	3.55
(b) Audit Fee paid/payable to M/s Shome & Banerjee, Cost Accountants included in Miscellaneous Expenses	0.72	0.72
Due date of filing of Cost Audit Report	27/9/2011	27/9/2010
Date of Uploading of Cost Audit Report with MCA	13/9/2011	21/9/2010
(c) Stores and Spares Consumed and debited to various heads of Account in the Profit and Loss Account (Indigenous)	895.08	1,007.84
(d) Earnings in Foreign Currency		
F.O.B. Value of Export Sales	2,015.56	1,165.30
Receipts for Technical and Support Services	770.50	768.07
(e) Expenditure in Foreign Currency		
Foreign Travel	13.50	25.06
Commission on Sales	49.80	26.50
Subscription	0.30	0.28
Export Samples Analysis Fee	1.34	-
Interest on Foreign Currency Term Loan (Net of TDS)	-	6.23
Reimbursement of Legal Fee and Services Charges on Foreign Currency Term Loan (Net of TDS)	-	1.49
Consultancy Fee (Net of TDS and Service Tax)	14.18	10.02
(f) Value of Imports calculated on C.I.F. Basis :		
Raw Materials	14.98	14.36
Capital Goods	58.18	-

Place : Kolkata Date : 17th May, 2012	H. M. Gupta <i>Executive Chairman</i> C.S.Bedi <i>Managing Director</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>
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T. Significant Accounting Policies and Other Notes to the Financial Statements for the Year ended 31st March, 2012

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

ROSSELL INDIA LIMITED

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 and such contribution is determined by the actuary at the end of the year. For annual contribution to Gratuity and defined benefit Pension Fund, the 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 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.

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2. Segment Information for the year ended 31st March, 2012

	Rs. in Lakhs	
	2011-2012	2010-2011
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		
C. Hospitality		
2. Revenue		
A. Cultivation, Manufacture and Sale of Tea	7,386.44	6,967.20
B. Aviation Products and Services	997.21	906.02
C. Hospitality	-	-
D. Unallocated	16.75	5.76
	8,400.40	7,878.98
3. Results		
A. Cultivation, Manufacture and Sale of Tea	2,105.05	2,202.65
B. Aviation Products and Services	294.17	347.98
C. Hospitality	(7.28)	-
	2,391.94	2,550.63
Less : i) Un-allocated expenses, net of un-allocated Income	55.25	(5.76)
ii) Interest Net of subsidy	56.17	139.68
	2,280.52	2,416.71
4. Segment Assets		
A. Cultivation, Manufacture and Sale of Tea	12,509.94	11,929.40
B. Aviation Products and Services	1,801.92	1,432.72
C. Hospitality	60.95	-
D. Unallocated	4,314.03	4,065.99
	18,686.84	17,428.11
5. Segment Liabilities		
A. Cultivation, Manufacture and Sale of Tea	1,686.46	2,013.82
B. Aviation Products and Services	60.58	50.77
C. Hospitality	-	-
D. Unallocated	218.91	270.99
	1,965.95	2,335.58
6. Capital Expenditure		
A. Cultivation, Manufacture and Sale of Tea	489.52	139.46
B. Aviation Products and Services	443.45	68.87
C. Hospitality	0.85	-
D. Unallocated	8.50	-
	942.32	208.33
7. Depreciation (Net of Adjustment with Revaluation Reserve)		
A. Cultivation, Manufacture and Sale of Tea	160.95	159.21
B. Aviation Products and Services	34.76	20.89
C. Hospitality	0.03	-
	195.74	180.10

ROSSELL INDIA LIMITED

3. Related Party Transactions for the year ended 31st March, 2012

The following are the Related Party transaction undertaken by the Company during the year ended 31st March, 2012, in terms of AS-18 - Related Party Disclosures issued by the Institute of Chartered Accountants of India :

Name of the Related Party and nature of relationship :

Enterprises where Control Exists	- Rossell Aviation Private Limited, Subsidiary Company (Fully Owned) Sigma Microsystems Private Limited, Subsidiary Company (upto 29th June, 2011)
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 Private Ltd. - Harvin Estates Private Ltd. - BMG Foundation

Particulars of transaction for the year ended 31st March, 2012	Rs. in Lakhs	
Nature of transaction	<u>2011-2012</u>	<u>2010-2011</u>
Enterprises where Control Exists		
1. Inter Corporate Deposit		
- Given	1.60	33.00
- Refunded	247.10	21.10
2. Interest received on Inter Corporate Deposit given	3.32	30.73
Key Management Personnel and relatives		
1. Dividend Paid	9.16	7.47
2. Unsecured Loan		
- Received	240.00	429.85
- Refunded	271.50	1,174.70
3. Interest paid on Unsecured Loan taken	5.23	48.21
4. Rent for Residential Accommodation	7.20	4.20
5. Remuneration Paid	145.18	143.44
6. Remuneration Paid to Relative	21.68	14.80
Holding Company		
1. Dividend Paid	92.66	46.53
2. Inter Corporate Deposit		
- Received	643.00	373.00
- Refunded	643.00	677.60
3. Inter Corporate Deposit		
- Given	93.00	-
4. Interest paid on Inter Corporate Deposit (Net)	3.92	18.44
Enterprises where significant influence is exercisable		
1. Dividend Paid	1.88	0.96
2. Rent paid for Office Space	6.00	6.00
3. Rent for Residential Accommodation	6.00	6.00
4. Inter Corporate Deposit		
- Received	32.00	81.00
- Refunded	46.50	154.50
5. Interest paid on Inter Corporate Deposit	1.88	6.49
6. Contributions made for charitable purpose	11.00	7.50

ROSSELL INDIA LIMITED

4. The Company has only one subsidiary company as on 31st March, 2012, namely, Rossell Aviation Private Limited (Extent of interest - 100%). During the year, on and from 29th June, 2011, Sigma Microsystems Private Limited (Extent of interest - 56.25%) ceased to be a subsidiary of the Company consequent upon divestment of entire shareholdings held therein.

Accordingly, the Consolidated Financial Statement for the year ended 31st March, 2012 has been prepared separately in accordance with Accounting Standard AS-21 containing the required information for the aforesaid subsidiary 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 17th May, 2012 (a) given their consent for not attaching the annual accounts of the aforesaid subsidiary in respect of their Financial Year 2011-2012 with these financial statements and (b) have undertaken on behalf of the Company that the annual accounts of the subsidiary company and the related detailed information shall be made available to the shareholders of the Company and that of subsidiary company seeking such information at any point of time. The annual accounts of this subsidiary company shall be kept for inspection by any shareholders at the registered office of the Company at Kolkata.

5. Defined Benefits 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, 2012. Thus, the amount recognised in the financial statements in respect of these Schemes as per Actuarial Valuation as on March 31, 2012 are as under:

Rs. in Lakhs

	Pension - Funded		Gratuity - Funded		Leave Encashment - Non Funded	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
I Components of Employer Expense						
1 Current Service Cost	-	-	39.94	36.98	2.36	4.05
2 Interest Cost	6.04	6.29	49.57	47.22	1.47	1.23
3 Expected Return on Plan Assets	(6.01)	(5.86)	(48.86)	(46.49)	-	-
4 Curtailment Cost/(Credit)	-	-	-	-	-	-
5 Settlement Cost/(Credit)	-	-	-	-	-	-
6 Past Service Cost	-	-	-	7.72	-	-
7 Actuarial Losses/(Gains)	(3.79)	(5.12)	65.18	(24.28)	3.26	2.81
8 Total expense to be recognised in the Statement of Profit and Loss Account	(3.76)	(4.69)	105.83	21.15	7.09	8.09
9 Total expense actually recognised in the Statement of Profit and Loss Account	-	-	105.83	20.44	7.09	8.09
The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and Other Funds" and Leave Encashment in "Salaries, Wages and Bonus" in Notes 5 to the Profit and Loss Account.						
II Net Asset/(Liability) recognised in Balance Sheet						
1 Present Value of Defined Benefit Obligation	66.23	85.82	726.12	671.23	22.04	21.83
2 Fair Value on Plan Assets	74.70	90.53	727.15	671.60	-	-
3 Status [Surplus/(Deficit)]	8.47	4.71	1.03	0.37	(22.04)	(21.83)
4 Unrecognised Past Service Cost	-	-	-	-	-	-
5 Net Asset/(Liability) to be recognised in Balance Sheet	8.47	4.71	1.03	0.37	(22.04)	(21.83)
6 Net Asset/(Liability) actually recognised in Balance Sheet	-	-	-	-	(22.04)	(21.83)

ROSSELL INDIA LIMITED

III Change in Defined Benefit Obligations (DBO)							
1	Present Value of DBO at the Beginning of the Year	85.82	83.85	671.23	661.30	21.83	19.00
2	Current Service Cost	-	-	39.94	36.98	2.36	4.05
3	Interest Cost	6.03	6.29	49.57	47.22	1.47	1.23
4	Curtailment Cost/(Credit)	-	-	-	-	-	-
5	Settlement Cost/(Credit)	-	-	-	-	-	-
6	Plan Amendments	-	-	-	7.72	-	-
7	Acquisitions	-	-	-	-	-	-
8	Actuarial (Gains)/Losses	(4.85)	(4.32)	69.59	(18.51)	3.26	2.81
9	Benefits Paid	(20.77)	-	(103.18)	(63.48)	(6.88)	(5.26)
10	Present Value of DBO at the End of the Year	66.23	85.82	727.15	671.23	22.04	21.83
IV Change in Fair Value of Assets							
1	Plan Assets at the Beginning of the Year	90.53	72.45	671.60	620.31	-	-
2	Acquisition Adjustment	-	-	-	-	-	-
3	Actual Return on Plan Assets	6.01	5.86	48.86	46.49	-	-
4	Actuarial Gains/(Losses)	(1.07)	0.80	4.41	5.76	-	-
5	Actual Company Contribution Received/ Receivable	-	11.42	105.46	62.52	-	-
6	Benefits Paid	(20.77)	-	(103.18)	(63.48)	6.88	3.38
7	Plan Assets at the End of the Year	74.70	90.53	727.15	671.60	-	-
V Principal Actuarial Assumptions used (common for all valuations)							
1	Discount Rate (%)					8.60	8.00
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	44.85	44.30	51.60	53.37		
2	PSU Bonds	30.48	29.38	28.57	32.93		
3	Insurance Companies/ Banks/ Mutual Funds	19.75	20.80	11.44	9.16		
4	Cash and Cash Equivalents	4.92	5.52	8.39	4.54		

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.

6. 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, 2012.

7. 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	N. K. Khurana <i>Vice President (Finance)- Cum- Company Secretary</i>
Place : Kolkata	C.S.Bedi	V. P. Agarwal	
Date : 17th May, 2012	<i>Managing Director</i>	<i>Directors</i>	

Statement Regarding Subsidiary Company

Pursuant to Section 212 of the Companies Act, 1956

Rossell Aviation Private Limited

- (A) The Financial Year of the Subsidiary Company ended on : 31st March, 2012
- (B) Holding Company's Interest
- (a) Number and face value : 10,000 Equity Shares of Rs.10 each fully paid. Share Application Money paid at Rs. 1 each for 13,44,200 Equity Shares (Pending allotment)
- (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, 2012 : (Rs. 6.52 lakhs)
- ii) for its previous financial years : (Rs. 0.37 lakhs)
- (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, 2012 : Nil
- ii) for its previous financial years : Nil

Place : Kolkata
Date : 17th May, 2012

H. M. Gupta
Executive Chairman

C.S.Bedi
Managing Director

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

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

ROSSELL INDIA LIMITED

Report of the Auditors to the Board of Directors of Rossell India Ltd.

We have audited the attached Consolidated Balance Sheet of Rossell India Limited and its subsidiary, Rossell Aviation Private Limited as at 31st March 2012, 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 subsidiary, Rossell Aviation Private Limited whose financial statements reflect total assets of Rs.10.72 lakhs as at 31st March 2012 and total revenues of Rs.0.19 lakhs 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 this subsidiary, 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 subsidiary, 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 subsidiary, 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 and its subsidiary as at 31st March, 2012.
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results (profit) of operations of Rossell India Limited and its subsidiary 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 : 17th May, 2012

ROSSELL INDIA LIMITED

Consolidated Balance Sheet as at 31st March, 2012

Rs. in Lakhs

Particulars	<u>Note No.</u>	<u>As at 31st March, 2012</u>	<u>As at 31st March, 2011</u>
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A	733.93	733.93
(b) Reserves and Surplus	B	<u>15,980.07</u>	<u>14,205.52</u>
		<u>16,714.00</u>	<u>14,939.45</u>
(2) Non-Current Liabilities			
(a) Deferred tax liability (net)	C	-	55.11
(b) Long term provisions	D	<u>22.04</u>	<u>21.83</u>
		<u>22.04</u>	<u>76.94</u>
(3) Current Liabilities			
(a) Short-term borrowings	E	943.41	1,442.32
(b) Trade payables	F	145.26	139.65
(c) Other current liabilities	G	652.17	598.51
(d) Short-term provisions	H	<u>204.63</u>	<u>218.99</u>
		<u>1,945.47</u>	<u>2,399.47</u>
Total		<u><u>18,681.51</u></u>	<u><u>17,415.86</u></u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	I	11,656.93	11,194.31
(ii) Intangible assets	J	71.88	189.96
(iii) Capital work-in-progress		43.97	15.42
(b) Non-current investments	K	3,657.24	3,338.08
(c) Deferred tax asset (net)	C	13.00	-
(d) Long term loans and advances	L	<u>826.14</u>	<u>963.55</u>
		<u>16,269.16</u>	<u>15,701.32</u>
(2) Current assets			
(a) Inventories	M	277.30	465.01
(b) Trade receivables	N	615.63	398.01
(c) Cash and cash equivalents	O	889.74	399.82
(d) Short-term loans and advances	P	288.58	230.04
(e) Other current assets	Q	<u>341.10</u>	<u>221.66</u>
		<u>2,412.35</u>	<u>1,714.54</u>
Total		<u><u>18,681.51</u></u>	<u><u>17,415.86</u></u>
Contingent Liabilities and Commitments	R		
Dividend Proposed	S		
Significant Accounting Policies and Other Notes on Consolidated Financial Statements	T		

Notes A to T 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

Membership No. 8816

Place : Kolkata

Date : 17th May, 2012

H. M. Gupta

Executive Chairman

C.S.Bedi

Managing Director

Dr. S. S. Baijal

H. M. Parekh

P. L. Agarwal

V. P. Agarwal

Directors

N. K. Khurana

Vice President (Finance)-

Cum- Company Secretary

ROSSELL INDIA LIMITED

Consolidated Profit and Loss Statement for the year ended 31st March, 2012

Particulars	Note No.	Rs. in Lakhs	
		2011-2012	2010-2011
I. Revenue from operations	1	8,263.70	8,026.78
II. Other Income	2	85.44	76.13
III. Total Revenue (I +II)		<u>8,349.14</u>	<u>8,102.91</u>
IV. <u>Expenses :</u>			
Cost of materials consumed	3	100.71	176.05
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	4	127.47	(18.12)
Employee benefit expense	5	3,113.79	2,875.59
Finance costs	6	56.17	141.87
Depreciation and amortization expense	7	195.74	191.04
Other expenses	8	2,408.68	2,456.55
Total Expenses		<u>6,002.56</u>	<u>5,822.98</u>
V. Profit before exceptional items and tax (III - IV)		2,346.58	2,279.93
VI. Exceptional Items	9	72.00	-
VII. Profit before tax (V- VI)		<u>2,274.58</u>	<u>2,279.93</u>
VIII. Tax expense :			
(1) Current tax		475.00	484.83
(2) Deferred tax adjustment		(65.00)	4.03
		<u>410.00</u>	<u>488.86</u>
IX. Transfer from Minority Interest		-	17.30
X. Profit for the period (VII - VIII+IX)		<u>1,864.58</u>	<u>1,808.37</u>
XI. Earning per equity share :	10		
(1) Basic		5.08	4.93
(2) Diluted		5.08	4.93

Notes 1 to 10 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
Membership No. 8816
Place : Kolkata
Date : 17th May, 2012

H. M. Gupta
Executive Chairman
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Directors

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

ROSSELL INDIA LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2012

	2011-2012	2010-2011
		Rs. in Lakhs
A. Cash Flow from Operating Activities		
Profit before Tax	2,274.58	2,279.93
- Adjustment for :		
Depreciation	195.74	191.04
Finance Cost (Net)	56.17	141.87
Loss on Disposal of Fixed Assets (Net)	49.68	0.45
Provision for diminution in the value of Investments written back	(7.24)	-
Liabilities no more required written back	(3.13)	-
Loss on Divestment of Subsidiary Company	72.00	-
Net Gain on sale of Investments	(7.00)	(3.57)
	356.22	329.79
	2,630.80	2,609.72
Items Considered in Investing Activity :		
Interest on Deposits etc.	(69.88)	(36.52)
Dividend	(1.32)	(2.19)
	(71.20)	(38.71)
Operating Profit before Working Capital Changes	2,559.60	2,571.01
- Adjustment for :		
Current Assets including Long Term Loans and Advances	(18.47)	(263.94)
Current Liabilities	104.59	(162.42)
	86.12	(426.36)
Cash Generated from Operations	2,645.72	2,144.65
Finance Cost (Net)	(56.17)	(141.87)
Direct Taxes (Net of refund)	(488.79)	(486.04)
	(544.96)	(627.91)
Cash Flow before Extraordinary Items	2,100.76	1,516.74
Extraordinary Items	-	-
Net Cash Flow from Operating Activities	2,100.76	1,516.74
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets including Advances for Capital Assets	(913.02)	(261.21)
Sale of Fixed Assets (Including Subsidy received from Tea Board)	55.44	12.21
Sale of Investments	68.25	130.58
Divestment of Shares held in the Subsidiary Company	153.56	-
Purchase of Investments	(373.17)	(210.03)
Compensation received from acquisition of Land	4.87	-
Interest Received	69.88	36.52
Dividend Received	1.32	2.19
Net Cash Flow from Investing Activities	(932.87)	(289.74)

ROSSELL INDIA LIMITED

	<u>2011-2012</u>	<u>Rs. in Lakhs</u> 2010-2011
C. Cash Flow from Financing Activities		
Intercompany deposits(ICD) (repaid) /taken including interest accrued thereon	(46.00)	(1,149.38)
Intercompany Deposits Given	(93.00)	(100.00)
Repayment of External Commercial Borrowings	-	(451.40)
Repayment of Short/Medium Term Borrowings from Banks(Net)	-	(41.22)
Proceeds of Short Term Loan from Bank (Net)	(359.23)	266.44
Dividend Paid and Tax thereon - Final Dividend 2009-2010	-	(85.87)
- Final Dividend 2010-2011	(171.17)	-
Net Cash Flow from Financing Activities	<u>(669.40)</u>	<u>(1,561.43)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	498.49	(334.43)
Cash and Cash Equivalents as at 31.03.2011		
(Opening Balance)	399.82	
Less: Balance of Sigma Microsystems Pvt. Ltd. adjusted	<u>8.57</u>	
	391.25	734.25
Cash and Cash Equivalents as at 31.03.2012		
(Closing Balance)	<u><u>889.74</u></u>	<u><u>399.82</u></u>

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
Membership No. 8816
Place : Kolkata
Date : 17th May, 2012

H. M. Gupta
Executive Chairman

C.S.Bedi
Managing Director

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

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

ROSSELL INDIA LIMITED

Notes to the Consolidated Balance Sheet

	Rs. in Lakhs	
	<u>As at 31st March, 2012</u>	<u>As at 31st March, 2011</u>
A. SHARE CAPITAL		
Authorised		
4,50,00,000 Equity Shares of Rs. 2 each	<u>900.00</u>	<u>900.00</u>
Issued and Subscribed		
3,66,96,475 Equity Shares of Rs.2 each fully paid up	<u>733.93</u>	<u>733.93</u>
B. RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last Account	225.46	225.46
Add : Compensation received on Sale of Land	<u>4.87</u>	<u>-</u>
	<u>230.33</u>	<u>225.46</u>
Securities Premium Account		
Balance as per last Account	<u>2,609.55</u>	<u>2,609.55</u>
Revaluation Reserve		
Balance as per last account	5,228.92	5,299.64
Less : Withdrawal on account of depreciation on incremental amounts upon revaluation	<u>76.43</u>	<u>70.72</u>
	<u>5,152.49</u>	<u>5,228.92</u>
General Reserve		
Balance as per last Account	5,865.02	4,065.02
Add : Transfer from Profit and Loss Account	<u>1,800.00</u>	<u>1,800.00</u>
	<u>7,665.02</u>	<u>5,865.02</u>
Surplus in Profit and Loss Account		
Balance as per last Account	276.57	439.95
Add : Balance as per Profit and Loss Account	<u>1,864.58</u>	<u>1,808.37</u>
	<u>2,141.15</u>	<u>2,248.32</u>
Less : Preliminary Expenses	<u>-</u>	<u>0.58</u>
	<u>2,141.15</u>	<u>2,247.74</u>
Add: Profit on Disposal of Investment in Subsidiary Company (As per Para 22 of Accounting Standard 21, Consolidated Financial Statement)	<u>249.45</u>	<u>-</u>
	<u>2,390.60</u>	<u>2,247.74</u>
Add : Adjustment for Loss on Divestment of Subsidiary Company shown as Exceptional Item	<u>72.00</u>	<u>-</u>
	<u>2,462.60</u>	<u>2,247.74</u>
Less : Goodwill arising on Consolidation in earlier years adjusted	<u>169.32</u>	<u>-</u>
	<u>2,293.28</u>	<u>2,247.74</u>
Less : Transfer to General Reserve	<u>1,800.00</u>	<u>1,800.00</u>
	<u>493.28</u>	<u>447.74</u>
Less : Dividend	<u>146.79</u>	<u>146.79</u>
Tax on Dividend	<u>23.81</u>	<u>24.38</u>
	<u>322.68</u>	<u>276.57</u>
	<u>15,980.07</u>	<u>14,205.52</u>

ROSSELL INDIA LIMITED

	Rs. in Lakhs	
	As at 31st March, 2012	As at 31st March, 2011
C. DEFERRED TAX LIABILITIES/ASSET (NET)		
Deferred Tax Liability		
Depreciation as per Books and Tax Laws	-	55.11
Deferred Tax Asset		
Depreciation as per Books and Tax Laws	13.00	-
	13.00	55.11
D. LONG TERM PROVISIONS		
Provision for employee benefits	22.04	21.83
E. SHORT TERM BORROWINGS		
Secured Loans		
Loans repayable on demand from Banks	943.41	1,302.63
Unsecured Loans		
Loans and advances from related parties		
- Loan from Managing Director (Executive Chairman)	-	31.50
- Loan from Directors of Subsidiary	-	93.69
- Intercorporate Deposits	-	14.50
	-	139.69
	943.41	1,442.32
Remark :		
The loans from Banks are secured on pari passu basis by hypothecation of tea crops and moveable assets of all the Tea Estates of the Company and collaterally secured on pari passu by Equitable Mortgages of Dikom Tea Estate, Nokhroy Tea Estate, Bokakhat Tea Estate and Romai Tea Estate of the Company.		
F. TRADE PAYABLES		
Sundry Creditors	145.26	139.65
G. OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowings	3.11	6.12
Unpaid Dividends*	5.22	3.51
Other Payables		
For Expenses etc.	601.35	552.77
Statutory Dues	42.49	36.11
	643.84	588.88
	652.17	598.51
H. SHORT TERM PROVISIONS		
Provision for Taxation (Net)	34.03	47.82
Proposed Dividend	146.79	146.79
Tax on Dividend	23.81	24.38
	204.63	218.99
I. TANGIBLE ASSETS		
Land and Planted Teas		
Gross Carrying Amount as at the beginning of the year	6,657.72	6,655.99
Add : Additions during the year	33.24	1.73
	6,690.96	6,657.72
Less : Disposal during the year	-	-
Gross Carrying Amount as at the end of the year	6,690.96	6,657.72
Less : Accumulated Depreciation at the beginning of the year	-	-
Depreciation provided for the year	-	-
Net Carrying Amount as at the end of the year	6,690.96	6,657.72
Net Carrying Amount at the beginning of the year	6,657.72	6,655.99

ROSSELL INDIA LIMITED

	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
Buildings		
Gross Carrying Amount as at the beginning of the year	2,990.26	2,951.07
Add: Additions during the year	<u>119.46</u>	<u>39.19</u>
	3,109.72	2,990.26
Less: Disposal during the year	<u>8.65</u>	<u>-</u>
Gross Carrying Amount as at the end of the year	3,101.07	2,990.26
Less : Accumulated Depreciation at the beginning of the year	343.51	282.81
Depreciation provided for the year	<u>61.50</u>	<u>60.70</u>
	2,696.06	2,646.75
Add : Depreciation written back on disposal	<u>0.34</u>	<u>-</u>
Net Carrying Amount as at the end of the year	2,696.40	2,646.75
Net Carrying Amount at the beginning of the year	<u>2,646.75</u>	<u>2,668.26</u>
Plant and Equipment		
Gross Carrying Amount as at the beginning of the year	2,243.90	2,228.17
Add: Additions during the year	<u>346.14</u>	<u>68.18</u>
	2,590.04	2,296.35
Less: Adjustment/ disposal during the year*	<u>60.66</u>	<u>11.72</u>
Gross Carrying Amount as at the end of the year	2,529.38	2,284.63
Less: Accumulated Depreciation at the beginning of the year	867.07	744.81
Depreciation provided for the year	<u>134.11</u>	<u>132.08</u>
	1,528.20	1,407.74
Add: Depreciation written back on disposal	<u>6.69</u>	<u>-</u>
Net Carrying Amount as at the end of the year	1,534.89	1,407.74
Net Carrying Amount at the beginning of the year	<u>1,376.83</u>	<u>1,483.36</u>
* This includes receipts from Tea Board of India towards Subsidy against Machinery added during earlier years-Rs. 47.54 lakhs		
Furniture and Fixtures		
Gross Carrying Amount as at the beginning of the year	164.07	174.63
Add: Additions during the year	<u>213.30</u>	<u>1.07</u>
	377.37	175.70
Less : Disposal during the year	<u>35.64</u>	<u>-</u>
Gross Carrying Amount as at the end of the year	341.73	175.70
Less : Accumulated Depreciation at the beginning of the year	69.93	63.19
Depreciation provided for the year	<u>12.48</u>	<u>11.03</u>
	259.32	101.48
Add : Depreciation written back on disposal	<u>5.30</u>	<u>-</u>
Net Carrying Amount as at the end of the year	264.62	101.48
Net Carrying Amount at the beginning of the year	<u>94.14</u>	<u>111.44</u>

ROSSELL INDIA LIMITED

	Rs. in Lakhs	
	As at 31st March, 2012	As at 31st March, 2011
Vehicles		
Gross Carrying Amount as at the beginning of the year	455.90	378.97
Add : Additions during the year	79.03	83.63
	534.93	462.60
Less: Adjustment/ disposal during the year*	15.02	-
Gross Carrying Amount as at the end of the year	519.91	462.60
Less : Accumulated Depreciation at the beginning of the year	174.50	141.18
Depreciation provided for the year	42.34	35.59
	303.07	285.83
Add: Depreciation written back on disposal	11.00	-
Net Carrying Amount as at the end of the year	314.07	285.83
Net Carrying Amount at the beginning of the year	281.40	237.79
* This includes refund by a vendor for Vehicle added during earlier year - Rs. 1.00 Lakh		
Office Equipments		
Gross Carrying Amount as at the beginning of the year	86.11	90.36
Add: Additions during the year	55.09	4.85
	141.20	95.21
Less : Disposal during the year	7.46	1.19
	133.74	94.02
Less : Accumulated Depreciation at the beginning of the year	26.58	20.71
Depreciation provided for the year	5.83	8.37
Gross Carrying Amount as at the end of the year	101.33	64.94
Add: Depreciation written back on disposal	0.92	0.26
Net Carrying Amount as at the end of the year	102.25	65.20
Net Carrying Amount at the beginning of the year	59.53	69.65
Computers		
Gross Carrying Amount as at the beginning of the year	67.26	104.04
Add: Additions during the year	37.88	8.16
	105.14	112.20
Less : Disposal during the year	5.08	-
Gross Carrying Amount as at the end of the year	100.06	112.20
Less : Accumulated Depreciation at the beginning of the year	40.51	70.43
Depreciation provided for the year	8.96	12.18
	50.59	29.59
Add: Depreciation written back on disposal	3.15	-
Net Carrying Amount as at the end of the year	53.74	29.59
Net Carrying Amount at the beginning of the year	26.75	33.61
Aggregate of Net Carrying Amount as at the end of the year	11,656.93	11,194.31

ROSSELL INDIA LIMITED

	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
J. INTANGIBLE ASSETS		
Goodwill		
Gross Carrying Amount as at the beginning of the year (Arising out of consolidation as per Para 13 (b) of the Accounting Standard 21, Consolidated Financial Statement)	169.32	169.32
Add : Additions during the year	<u>-</u>	<u>-</u>
	169.32	169.32
Less : Adjusted during the year (Note B)	<u>169.32</u>	<u>-</u>
Net Carrying Amount as at the end of the year	<u>-</u>	<u>169.32</u>
Net Carrying Amount at the beginning of the year	<u>169.32</u>	<u>169.32</u>
 Computer Software		
Gross Carrying Amount as at the beginning of the year	22.88	3.57
Add: Additions during the year	<u>58.19</u>	<u>19.31</u>
	81.07	22.88
Less : Disposal during the year	<u>-</u>	<u>-</u>
	81.07	22.88
Less : Accumulated Depreciation at the beginning of the year	2.24	0.42
Depreciation provided for the year	<u>6.95</u>	<u>1.82</u>
Net Carrying Amount as at the end of the year	<u>71.88</u>	<u>20.64</u>
Net Carrying Amount at the beginning of the year	<u>20.64</u>	<u>3.15</u>
Aggregate of Net Carrying Amount as at the end of the year	<u>71.88</u>	<u>189.96</u>
 K. NON-CURRENT INVESTMENT		
At Cost		
Trade Investments: Unquoted		
In Equity Instruments	3,072.55	3,066.48
In Preference Shares	528.83	183.48
Other Investments : Unquoted		
In Units and Bonds	36.75	15.00
Other Investments : Quoted		
In Equity Instruments	<u>19.11</u>	<u>80.36</u>
	3,657.24	3,345.32
Less : Provision for diminution in the value of Investments	<u>-</u>	<u>7.24</u>
	3,657.24	3,338.08
Aggregate amount of Quoted Investmentst	19.11	73.12
Aggregate amount of Unquoted Investmentst	3,638.13	3,264.96
	<u>3,657.24</u>	<u>3,338.08</u>
Market Value of Quoted Investments	<u>9.40</u>	<u>79.73</u>

ROSSELL INDIA LIMITED

	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
L. LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	237.55	293.42
Security Deposits	114.11	84.96
Other Deposits	0.20	0.10
Deposit with NABARD	210.57	373.06
Deposit with Assam Financial Corporation	263.71	212.01
	<u>826.14</u>	<u>963.55</u>
M. INVENTORIES		
Stock of Tea at lower of cost and net realisable value	41.76	157.65
Stock of Stores and Spares at or under cost	206.58	165.96
Stock of Raw Materials at cost	14.96	83.10
Work-in-progress at works cost	14.00	58.30
	<u>277.30</u>	<u>465.01</u>
N. TRADE RECEIVABLES		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	264.09	16.74
Other Debts	351.54	381.27
	<u>615.63</u>	<u>398.01</u>
O. CASH AND CASH EQUIVALENTS		
Balances with Banks	146.37	31.08
Margin Money Account	21.29	8.35
Bank Deposits for less than 12 months maturity	709.00	350.00
Unpaid Dividend Accounts	5.22	3.51
Cash on Hand	7.86	6.88
	<u>889.74</u>	<u>399.82</u>
P. SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Deposits		
Intercorporate Deposits	-	100.00
Loans and Advances to Related Parties		
Intercorporate Deposits to Holding Company	93.00	-
Other Loans and Advances		
Advances recoverable in Cash or in Kind or for value to be received	195.58	130.04
	<u>288.58</u>	<u>230.04</u>
Q. OTHER CURRENT ASSETS		
Interest Accrued on Deposits	50.93	31.38
Other Receivables	290.17	190.28
	<u>341.10</u>	<u>221.66</u>

ROSSELL INDIA LIMITED

	As at 31st March, 2012	Rs. in Lakhs As at 31st March, 2011
R. CONTINGENT LIABILITIES AND COMMITMENTS		
Estimated amount of Contingent Liabilities not provided for		
a. Claims against the Company not acknowledged as Debt		
Central Sales Tax (Assam)	-	474.79
Income Tax	70.65	-
Land Revenue, Local Rates and Surcharge for Bokakhat T.E.	18.49	18.49
	<u>204.63</u>	<u>-</u>
b. Bank Guarantees outstanding		
	<u>204.63</u>	<u>-</u>
Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance)	<u>477.89</u>	<u>425.54</u>
S. DIVIDEND PROPOSED		
Amount of Dividend proposed to be distributed to Equity Shareholders for the Financial Year 2011-2012	146.79	146.79
Dividend per Equity Share of Rs. 2 each	Rs. 0.40	Rs. 0.40
% of Dividend proposed	<u>20.00</u>	<u>20.00</u>

	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 : 17th May, 2012	<i>Managing Director</i>		

ROSSELL INDIA LIMITED

Notes to the Consolidated Profit and Loss Account

	Rs. in Lakhs	
	2011-2012	2010-2011
1. REVENUE FROM OPERATIONS		
(a) Sale of Products		
Black Tea	7,037.51	6,757.36
Avionics, Aviation and Electronic Equipments	137.87	361.31
	<u>7,175.38</u>	<u>7,118.67</u>
(b) Sale of Services		
Receipts for Technical and Support Services	808.05	768.07
(c) Other Operating Revenues		
Subsidy - Replanting	63.01	11.84
Tea Board Orthodox Subsidy Scheme	93.04	89.45
Sale of Duty Credit Entitlements Licence	117.26	70.42
Duty Drawback	11.77	-
Sundry Receipts	25.36	7.55
Liabilities no more required written back	3.13	-
	<u>313.57</u>	<u>179.26</u>
Total	8,297.00	8,066.00
Less : Excise Duty	13.19	26.69
Tea Cess	20.11	12.53
	<u>8,263.70</u>	<u>8,026.78</u>
2. OTHER INCOME		
Interest Income	69.88	36.52
Dividend Income	1.32	2.19
Net gain on Sale of Investments	7.00	3.57
Provision for diminution in the value for Investments written back	7.24	-
Net gain on Foreign Currency transactions/ translation	-	33.85
	<u>85.44</u>	<u>76.13</u>
3. COST OF MATERIALS CONSUMED		
Purchase of Green Leaf	33.41	24.86
Consumption of Raw Materials	67.30	151.19
	<u>100.71</u>	<u>176.05</u>
4. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock Of Tea	157.65	103.41
Less : Closing Stock Of Tea	41.76	157.65
	<u>115.89</u>	<u>(54.24)</u>
Opening Stock Of Work-in-Progress	25.58	94.42
Less : Closing Stock Of Work-in-Progress	14.00	58.30
	<u>11.58</u>	<u>36.12</u>
	<u>127.47</u>	<u>(18.12)</u>

ROSSELL INDIA LIMITED

	Rs. in Lakhs	
	2011-2012	2010-2011
5. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	2,475.95	2,351.67
Contribution to Provident and other Funds	356.73	241.60
Workmen and Staff Welfare	281.11	282.32
	<u>3,113.79</u>	<u>2,875.59</u>
6. FINANCE COST		
(a) Interest		
Banks	80.84	76.43
Intercompany Deposits	5.79	24.93
Unsecured Loan from Managing Director (Executive Chairman)	5.23	48.21
Others	-	2.19
	<u>91.86</u>	<u>151.76</u>
Less: Interest Subsidy	<u>35.97</u>	<u>11.23</u>
	55.89	140.53
(b) Other Borrowing Costs	<u>0.28</u>	<u>1.34</u>
	<u>56.17</u>	<u>141.87</u>
7. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	272.17	261.76
Less: Depreciation on amounts added on revaluation	<u>76.43</u>	<u>70.72</u>
	<u>195.74</u>	<u>191.04</u>
8. OTHER EXPENSES		
Consumption of Stores and Spare Parts	588.94	663.63
Job Works	-	12.24
Power and Fuel	446.68	474.08
Cess on Green Leaf	68.34	68.70
Rent	74.72	59.23
Rates and Taxes	25.27	24.30
Repairs to Building	80.79	79.99
Repairs to Machinery	117.02	122.10
Other Repairs and Maintenance	17.64	17.35
Vehicles Maintenance	81.05	120.22
Transportation	130.06	112.84
Shipment Charges	55.29	20.45
Warehousing and Selling Expenses	125.85	122.07
Brokerage	46.09	53.89
Commission on Sales	49.80	31.45
Late Delivery Charges	-	24.66
Insurance	22.57	18.80
Directors' Fee & Commission	6.38	6.50
Auditors' Remuneration	4.80	4.11
Travelling and Conveyance	90.72	129.25
Miscellaneous Expenses	317.87	290.24
Net loss on Foreign Currency transactions/ translation	9.12	-
Loss on Disposal of Fixed Asset (Net)	<u>49.68</u>	<u>0.45</u>
	<u>2,408.68</u>	<u>2,456.55</u>

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	Rs. in Lakhs	
	<u>2011-2012</u>	<u>2010-2011</u>
9. EXCEPTIONAL ITEMS		
Loss on Divestment of Subsidiary Company	<u>72.00</u>	<u>-</u>
Note :		
5,62,500 Equity Shares of Rs. 10 each held in Sigma Microsystems Private Limited, Subsidiary Company were divested and transferred on 29th June, 2011. The book loss on such divestment, as above, has been considered as Exceptional Item and shown accordingly. The profit on such divestment as per Para 22 of Accounting Standard 21, Consolidated Financial Statement has been ascertained separately and shown as adjustment with surplus in Profit and Loss Account (Note B).		
10. EARNINGS PER EQUITY SHARE (NET OF MINORITY)		
Basic and Diluted as computed as per Accounting Standard AS-20		
Profit after Taxation (Net of Minority)	1,864.58	1,808.37
Weighted average number of Equity Shares outstanding	366.96	366.96
Earnings per Equity Share of Rs. 2 each (Rs.)	<u>5.08</u>	<u>4.93</u>

T. Significant Accounting Policies and other Notes to the Consolidated Financial Statements for the year ended 31st March, 2012

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 Subsidiary, 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, 2012
- b) Audited Accounts of the Subsidiary for the year ended 31st March, 2012
- c) Line by Line aggregation of each item of asset / liability/ income /expenses of the Subsidiary 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.

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

Rossell India Limited (The Parent Company) is having only one Subsidiary, namely, Rossell Aviation Private Limited, a Company 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 100%.

During the year on and from 29th June 2011, Sigma Microsystems Private Limited (extent of Interest-56.25%) ceased to be a subsidiary of the Company consequent upon divestment of entire shareholding held therein. In view of this the figures in respect of current year are not comparable with that of the previous year.

4. Changes in Consolidation Process as compared to 2010-2011

The Consolidated Financial Statements have been prepared on the same basis as that adopted in respect of the accounting year 2010-2011 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:

ROSSELL INDIA LIMITED

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. Contributions are recognized in Profit and Loss Account on an accrual basis.
- 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

ROSSELL INDIA LIMITED

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.

- 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 are reviewed at each Balance Sheet date to reassess realization.

6. Segment Information for the year ended 31st March, 2012

1. Business Segments : In terms of 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
C. Hospitality

	<u>2011-2012</u>	<u>2010-2011</u>
		Rs. in Lakhs
2. Revenue		
A. Cultivation, Manufacture and Sale of Tea	7,386.44	6,967.20
B. Aviation Products and Services	997.40	1,173.22
C. Hospitality	-	-
D. Unallocated	<u>16.75</u>	<u>5.76</u>
	8,400.59	8,146.18
Less: Inter Segment Revenue	-	<u>30.73</u>
Total Revenue	<u>8,400.59</u>	<u>8,115.45</u>
3. Results		
A. Cultivation, Manufacture and Sale of Tea	2,105.05	2,202.65
B. Aviation Products and Services	288.23	213.39
C. Hospitality	<u>(7.28)</u>	-
	2,386.00	2,416.04
Less : i) Un-allocated income, net of un-allocated loss	55.25	(5.76)
ii) Interest Net of subsidy	<u>56.17</u>	<u>141.87</u>
	<u>2,274.58</u>	<u>2,279.93</u>

ROSSELL INDIA LIMITED

	<u>2011-2012</u>	<u>Rs. in Lakhs</u> <u>2010-2011</u>
4. Segment Assets		
A. Cultivation, Manufacture and Sale of Tea	12,509.94	11,929.40
B. Aviation Products and Services	1,812.63	1,737.68
C. Hospitality	60.95	-
D. Unallocated	4,314.03	4,065.99
	<u>18,697.55</u>	<u>17,733.07</u>
5. Segment Liabilities		
A. Cultivation, Manufacture and Sale of Tea	1,686.46	2,013.82
B. Aviation Products and Services	77.18	451.58
C. Hospitality	-	-
D. Unallocated	218.91	270.99
	<u>1,982.55</u>	<u>2,736.39</u>
6. Capital Expenditure		
A. Cultivation, Manufacture and Sale of Tea	489.52	139.46
B. Aviation Products and Services	443.45	86.66
C. Hospitality	0.85	-
D. Unallocated	8.50	-
	<u>942.32</u>	<u>226.12</u>
7. Depreciation (Net of Adjustment with Revaluation Reserve)		
A. Cultivation, Manufacture and Sale of Tea	160.95	159.21
B. Aviation Products and Services	34.76	31.83
C. Hospitality	0.03	-
	<u>195.74</u>	<u>191.04</u>
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	
b. Particulars of transactions during the year ended 31st March, 2012		
Key Management Personnel and relatives	<u>2011-2012</u>	<u>Rs. in Lakhs</u> <u>2010-2011</u>
1. Dividend Paid	9.16	7.47
2. Unsecured Loan taken (Net)	240.00	429.85
3. Unsecured Loan repaid (Net)	271.50	1,174.70
4. Interest paid on Unsecured Loans taken	5.23	48.21

ROSSELL INDIA LIMITED

	<u>2011-2012</u>	<u>Rs. in Lakhs</u> <u>2010-2011</u>
5. Rent for Residential Accommodation	7.20	4.20
6. Remuneration Paid	145.18	143.44
7. Remuneration Paid to relative	21.68	14.80
Holding Company		
1. Dividend Paid	92.66	46.53
2. Inter Corporate Deposit		
- Received	643.00	373.00
- Refunded	643.00	677.60
3. Inter Corporate Deposit		
- Given	93.00	-
4. Interest paid / payable on Inter Corporate Deposit (Net)	3.92	18.44
Enterprises where significant influence is Exercisable		
1. Dividend Paid	1.88	0.96
2. Rent Paid for Office Space	6.00	6.00
3. Rent paid for residential Accommodation	6.00	6.00
4. Inter Corporate Deposit		
- Received	32.00	81.00
- Refunded	46.50	154.50
5. Interest paid / payable on Inter Corporate Deposit	1.88	6.49
6. Contributions made for charitable purpose	11.00	7.50
8. Additional statutory information disclosed in separate financial statements of the Parent and the Subsidiary 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. In terms of General Circular No. 2/2011, the required disclosure in respect of the Subsidiary Company in respect of the Financial Year ended 31st March, 2012 is given below:		

Rs. in Lakhs

	Rossell Aviation Private Limited
Capital	1.00
Share Application Money	13.44
Reserves	(6.89)
Total Assets	10.72
Total liabilities	3.17
Investment	-
Other Income	0.19
Profit before Taxation	(5.94)
Provision for Taxation	-
Profit after Taxation	(5.94)
Proposed Dividend	-

10. 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 : 17th May, 2012	<i>Managing Director</i>		

ROSSELL INDIA LIMITED

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STATEMENT OF APPROXIMATE AREA, CROP AND YIELD

TEA ESTATES	Tea Bearing Area in Hectares	Crop (Kgs.) 2011-2012	Yield per Bearing Hectare
DIKOM	616	12,26,882	1,992
NOKHROY	323	6,89,196	2,134
NAGRIJULI	546	10,40,018	1,905
BOKAKHAT	304	4,46,066	1,467
ROMAI	312	6,36,905	2,041
TOTAL	<u>2,101</u>	<u>40,39,067</u>	<u>1,922</u>

ROSSELL INDIA LIMITED

5 Years' - At a Glance

	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>
Quantitative Information					Lakh Kgs.
Black Tea					
Saleable production	44.39	41.67	42.89	40.03	39.93
Sales	45.14	41.85	42.63	39.65	41.02
Financial Performance					Rs. in Lakhs
Turnover	5,320.18	5,751.78	7,646.41	7,593.25	7,983.43
Other Income	282.25	209.54	220.65	285.72	398.82
Total Revenue	5,602.43	5,961.32	7,867.06	7,878.97	8,382.25
Expenses	4,077.39	4,608.50	4,976.69	5,143.82	5,777.82
Profit before Depreciation and Interest	1,525.04	1,352.82	2,890.37	2,735.15	2,604.43
Interest	111.54	209.54	227.11	138.34	56.17
Profit before Depreciation	1,413.50	1,143.28	2,663.26	2,596.81	2,548.26
Depreciation	136.50	136.61	164.17	180.10	195.74
Profit before Exceptional Item	1,277.00	1,006.67	2,499.09	2,416.71	2,352.52
Exceptional Item	1,198.01	-	-	-	(72.00)
Profit Before Tax	2,475.01	1,006.67	2,499.09	2,416.71	2,280.52
Current Tax	214.00	197.50	500.00	485.00	475.00
Deferred Tax Adjustment	163.00	113.00	68.00	5.00	(65.00)
Profit After Tax	2,098.01	696.17	1,931.09	1,926.71	1,870.52
Earning per Share of Rs. 2 each (Rs.)	6.65	1.90	5.26	5.25	5.10
Dividend per Share of Rs. 2 each (Rs.)	0.25	0.30	0.40	0.40	0.40

ROSSELL INDIA 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 EIGHTEENTH ANNUAL GENERAL MEETING of the Company at Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017 at 10.30 a.m. on Friday, 10th August, 2012.

.....
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

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 Eighteenth Annual General Meeting of the Company to be held on Friday, 10th August, 2012 at 10.30 a.m. and at any adjournment thereof.

Dated this day of 2012.

Signed by the said
.....



Folio No. / Client ID No.

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.

