



Rossell India Limited

ANNUAL REPORT 2012-2013

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.

The Federal 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 Nineteenth Annual General Meeting of Rossell India Limited, will be held on **2nd August, 2013 at 2.00 P.M. at Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020**, to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2013 and Reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. H. M. Parekh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. L. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions:

6.1 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. C. S. Bedi, Managing Director of the Company, for a period of 3 (three) years with effect from 1st October, 2013 to 30th September, 2016, 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 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."

6.2 As Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such statutory permission(s) and approvals as may be required, authorisation be and is hereby accorded to payment of Commission to Non-Executive Directors not in the wholetime employment of the Company, made or to be made by the Board of Directors of the Company from time to time within the limit of 1% (one percent) of the net profits of the Company for a period of five financial years commencing 1st April 2012, calculated in the manner laid down in Section 309(5) of the said Act and distributed amongst such Directors in such proportion as the Board of Directors decided/may decide pursuant to Article 139 of the Articles of Association of the Company."

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

Place : Kolkata
Date : 15th May, 2013

By Order of the Board

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

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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 27th July, 2013 to 2nd August, 2013 (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 2nd August, 2013 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 has opened an account under the name and style "Unclaimed Suspense Account", with IL&FS Securities Services Limited, Mumbai and **the unclaimed 1,20,245 Equity Shares of the Company belonging to 489 Members are lying therein since the date of opening of the Account.** No claim was received by the Company till 31st March, 2013 from any of those Members. The Members concerned are requested to lodge their Claim with the Company's Registrars and Share Transfer Agents, CB Management Services Private Limited in case no Equity Shares have been received by them after sub-division of the Equity Shares of the Company.

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

**P-22, Bondel Road
Kolkata - 700 019
Tel. : 033 - 40116700, 40116711, 40116718, 40116723
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.rossellindia.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.

12. Payments to Shareholders by Electronic Payment Mode

In terms of Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013 issued by SEBI, all listed Companies are required to make payment of dividend to investors through electronic fund transfer.

Accordingly, if you are holding shares in physical form, you are requested to send your complete Bank Account details along with a cancelled cheque to the Company's Registrar and Share Transfer Agent as in 9 above to enable us to credit the dividend amount directly to your Bank Account.

In case of non-availability of MICR/ IFSC etc. for making electronic payment or in cases where such payment have been rejected by the Bank, physical warrants will be issued with the Bank Account details of the shareholders' mandatorily printed on the warrants.

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

Place : Kolkata
Date : 15th May, 2013

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 Nineteenth Annual General Meeting to be held on Friday, 2nd August, 2013.

Item No. 6.1

The existing terms of appointment of Mr. C. S. Bedi (Mr. Bedi), Managing Director is due to expire on 30th September, 2013. Accordingly, pursuant to Article 159 of the Articles of Association of the Company, the Board of Directors, in their Meeting held on 15th May, 2013 re-appointed Mr. Bedi for a further period of 3 years with effect from 1st October, 2013, 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 15th May, 2013 and accepted by the Board of Directors, as under:

a. Salary:

Rs.2,40,000 only per month in the scale of Rs.2,40,000 - Rs.3,50,000. Future increments during his tenure shall be merit-based and at the discretion of the Board within the aforesaid scale.

b. Allowances and Perquisites:

The sum total of all the Allowances and Perquisites to be provided in such form and in such manner, as may be decided by the Board from time to time, shall be restricted to an amount equal to 100% of the Annual Salary. Within the aforesaid ceiling, Mr. Bedi will be entitled to following allowances and perquisites:

- i] **Special Allowance:** Not exceeding Rs.1,00,000 per month with the present allowance being Rs.12,500 per month.
- ii] **Housing:** Rent-free furnished accommodation, for which rent shall not exceed 50% of the salary, along with the expenditure on gas, electricity, water and furnishing thereof shall not exceed 10% of the salary. In case no accommodation is provided, House Rent Allowance upto 50% of the salary shall be payable to Mr. Bedi.
- 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 and payment of annual premium for the medical policy for self and family taken as per the Rules of the Company.
- iv] **Leave Travel Allowance:** For self and family, once in the year in accordance with the Rules of the Company.

However, the following perquisites shall not be included in the overall ceiling:

1. **Contribution to Provident Fund and Superannuation Fund** to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. **Gratuity** payable at a rate not exceeding half a month's salary for each completed year of service or contribution up to the equivalent amount, as may be determined by Actuary, to Gratuity Fund towards Annual Contribution. Any such contribution, exceeding the aforesaid rate as per Rules of the Fund, shall be included in the overall ceiling for perquisites.

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3. **Encashment of leave at the end of the tenure.**

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

For the purpose of calculating the above ceiling, Perquisites and Allowances shall be evaluated at the actual cost to the Company or as per Income Tax Rules, wherever applicable.

c. **Earned Leave:**

Mr. Bedi shall be entitled to leave according to the Rules applicable to the managerial personnel or Leave Salary in lieu thereof within the limit prescribed in Clause b above.

d. **Minimum Remuneration:**

In the event of loss or inadequacy of profit in any Financial Year during the tenure of Mr. Bedi, the above Salary, Allowances and Perquisites shall be suitably adjusted in accordance with Part II, Section II, Clause 1(B) of Schedule XIII of the Act and shall be payable to Mr. Bedi as Minimum Remuneration.

e. **Overall Remuneration:**

The overall remuneration payable to Mr. Bedi 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.

f. **Disentitlement to Director's Fees:**

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

g. **Duties**

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

Mr. Bedi is associated with the Company since its inception in various capacities. He has been the Chairman of the Indian Tea Association as well as the Tea Research Association. With his specialization and vast experience in the Tea Industry, the Company has immensely benefited. The Directors, thereafter, recommend adoption of the proposed special resolutions for re-appointment of Mr. Bedi as Managing Director.

None of the Directors of the Company is concerned or interested in the proposed Special Resolutions, except Mr. Bedi 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. 6.2

The Non-Executive Directors have been in receipt of a Fee for attending the Meetings of the Board of Directors of the Company. However, keeping in view the valuable services being rendered by them for the benefit of the Company, remuneration by way of Commission, up to a maximum of 1% of the Net Profits as authorised by the

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Members, is also being paid. The authorisation, thus granted by the Members, was in force till the Financial Year ended 31st March, 2012.

In terms of Section 309(4) of the Companies Act, 1956 payment of such remuneration by way of Commission, is required to be authorised by the Members by way of a Special Resolution which shall be in force for a further period of 5 (five) years at a time commencing from the Financial Year ended 31st March, 2013. Your authorisation is, accordingly being sought for payment of such commission during the period mentioned in the Resolution.

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

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

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

By Order of the Board

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

Place : Kolkata
Date : 15th May, 2013

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. C. S. Bedi (Mr. Bedi), Managing Director

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 7 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>2012-2013</u>	<u>2011-2012</u>
Total Turnover	<u>10,161.28</u>	<u>7,983.43</u>
Operating Profit before		
Interest and depreciation	3,067.31	2,604.43
Less: Interest (Net of Subsidy)	217.69	56.17
Profit before Depreciation	<u>2,849.62</u>	<u>2,548.26</u>
Depreciation	306.86	195.74
Profit before Exceptional Items	<u>2,542.76</u>	<u>2,352.52</u>
Exceptional Items	1,358.45	(72.00)
Profit before Taxation	<u>3,901.21</u>	<u>2,280.52</u>
(5) Export performance and net foreign exchange earnings		
Export Turnover (FOB Value)	2,615.82	2,015.56
Receipts for Technical and Support Services	<u>1,000.53</u>	<u>770.50</u>

(6) Foreign Investments and Collaborators, if any

During the year, the Company has invested Rs.459.88 lacs in Foreign Currency to acquire 8,49,375 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, 2013 has been Rs.1,108.75 lakhs.

As on 31st March, 2013, 9.54% of the Company's Equity Share Capital was held by a Foreign Institutional Investor.

CAE Rossell India 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. Bedi is B.A. (Hons.) and was a Tea Planter himself. He has acquired sufficient expertise in Cultivation, Manufacture and Marketing of Tea. Having worked with Rydak Syndicate Ltd., he has been with the Company since its inception and after working in various capacities, held the office of Executive Director from 1st April, 2003 to 30th September, 2007 and thereafter the office of Managing Director from 1st October, 2007 till date. His existing tenure of service as Managing Director is due to expire on 30th September, 2013.

(2) Past Remuneration

Mr. Bedi was paid the remuneration in terms of the resolution passed by the Members of the Company in the Annual General Meeting held on 29th July, 2010. The remuneration for the year 2010-2011 and 2011-2012 as the Managing Director was Rs.33.34 lakhs and Rs. 41.67 lakhs respectively. The same for the year 2012-2013 was Rs. 46.25 lakhs.

(3) Recognition or Awards

Mr. Bedi was the Chairman of Indian Tea Association (ITA) and the Tea Research Association (TRA), the premier Institutions for the Tea Industry.

(4) Job Profile and Suitability

Mr. Bedi has in-depth knowledge of Tea Industry, having worked in various capacities in the Company since its inception. Mr. Bedi has been the Managing Director of the Company for more than five years and entrusted with day to day functions of the Company under the supervision and control of the Board of Directors. With his background and vast knowledge, the performance of the Company

ROSSELL INDIA LIMITED

has scaled a new height. He is actively involved in the affairs of the Tea Industry by virtue of his position in Tea Research Association and Indian Tea Association. In view of this, he is eminently suited for re-appointment as Managing Director of the Company.

(5) Remuneration Proposed

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

(6) Comparative remuneration Profile with respect to Industry

Name of the Company	Designation	Total Remuneration Rs. in Lakhs	Year
Mcleod Russel India Ltd.	Managing Director	248.50	2011-2012
Goodricke Group Ltd.	Managing Director	144.80	2012
Dhunseri Tea & Industries Ltd.	Managing Director	183.00	2012-2013

(7) Pecuniary Relationship

Except for the remuneration in consideration of his services rendered to the Company, Mr. Bedi has no pecuniary relationship with the Company. However, the Company has taken on rent a residential accommodation jointly owned by Mrs. & Mr. Bedi at a monthly rent of Rs.60,000 per month, which has since been enhanced to Rs. 70,000 per month with effect from 1st April, 2013.

III. Other Information

(1) Reasons of Loss or inadequate Profit

The profit of the Company for the year ended 31st March, 2013 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." During the year, the Company has acquired two Tea Estates namely Namsang Tea Estate, District Dibrugarh, Assam on 18th June, 2012 and Kharikatia Tea Estate, Dist. Jorhat, Assam on 1st November, 2012 and is 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 has successfully opened two North Indian Fast Food Outlets- "Kebab Xpress" in Delhi and is on an expansion mode within India.

(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.

IV. Disclosures

(1) Information on the Remuneration Package of Managing Director

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

(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 NINETEENTH ANNUAL GENERAL MEETING

Name of the Director	Mr. H. M. Parekh	Mr. P. L. Agarwal	Mr. C. S. Bedi
Date of Birth	March 23, 1937	April 02, 1942	September 18, 1947
Date of Appointment	October 19, 2001	April 04, 2002	1st April, 2003 (As Executive Director) 1st October, 2007 (As Managing Director)
Qualifications	B.A. (Hons.)	B.Com., LL.B., Attorney-at-Law	B.A. (Hons.)
Expertise in specific functional areas	Tea Marketing and Corporate Affairs	Commercial, Corporate Law, Real Estate & Intellectual Property - Practicing Advocate since 1965	Tea Cultivation, Manufacture and Marketing
List of Public Companies in which Directorship is held	The Methoni Tea Co. Ltd. Quality Tea Plantations Pvt. Ltd. Diana Tea Co. Ltd. The Grob Tea Co. Ltd. Williamson Magor & Co. Ltd. Gillanders Arbutnot & Co. Ltd. Peria Karamalai Tea & Produce Co. Ltd. Rasoi Ltd. BMG Enterprises Ltd. Rossell India Ltd.	Albert David Ltd. Dhunseri Investments Ltd. Dharampal Premchand Ltd. Future Market Networks Ltd. (formerly Agre Developers Ltd.) Hiland Projects Ltd. Karamchand Thapar & Bros. (Coal Sales) Ltd. The Oodlabari Co. Ltd. Cookson India Pvt. Ltd. Amalgamated Plantations Pvt. Ltd. Rossell India Limited	Rossell India Limited
Chairman / Member of the Committees of the Board of the Companies on which he is a Director	Diana Tea Co. Ltd. Audit Committee - Member Remuneration Committee - Member Williamson Magor & Co. Ltd. Audit Committee - Member Gillanders Arbutnot & Co. Ltd. Audit Committee - Chairman Remuneration Committee-Member Shareholders' Grievance & Share Transfer Committee - Chairman Peria Karamalai Tea & Produce Co. Ltd. Audit Committee - Member Remuneration Committee-Chairman Rasoi Ltd. Audit Committee - Chairman Remuneration Committee-Member Shareholders' Grievance & Share Transfer Committee - Member Rossell India Limited Audit Committee - Member Shareholders' Grievance & Share Transfer Committee - Chairman Remuneration Committee-Chairman	Albert David Ltd. Remuneration Committee - Member Share Transfer Committee-Member Future Market Networks Ltd. Audit Committee - Chairman Shareholders' Grievance Committee - Member Dhunseri Investments Ltd. Shareholders/Investors Grievance Committee - Member The Oodlabari Co. Ltd. Remuneration Committee - Member Rossell India Limited Remuneration Committee - Member Amalgamated Plantations Pvt. Ltd. Audit Committee - Member Remuneration Committee - Member	Rossell India Limited Shareholders' Grievance & Share Transfer Committee - Member

ROSSELL INDIA LIMITED**Report of the Board of Directors for the year ended 31st March, 2013**

Your Directors have pleasure in presenting their Nineteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS**Rs. in Lakhs**

	Year ended 31.03.2013	Year ended 31.03.2012
Profit before Interest and Depreciation	3,067.31	2,604.43
Less: Interest (Net of subsidy)	<u>217.69</u>	<u>56.17</u>
Profit before Depreciation	2,849.62	2,548.26
Less : Depreciation	<u>306.86</u>	<u>195.74</u>
Profit before Exceptional Item	2,542.76	2,352.52
Exceptional Item	<u>1,358.45</u>	<u>(72.00)</u>
Profit before Taxation	3,901.21	2,280.52
Less : Provision for Current Taxation	820.00	475.00
Deferred Taxation adjustment	<u>53.00</u>	<u>(65.00)</u>
Profit after Taxation	3,028.21	1,870.52
Add: Balance Brought Forward	329.57	429.65
Profit available for Appropriation	3,357.78	2,300.17
Appropriated as under :		
General Reserve	2,800.00	1,800.00
Dividend on Equity Shares		
Proposed @ 25% (2012-20%)	183.48	146.79
Tax on Dividend	29.77	23.81
Balance Carried Forward	<u>344.53</u>	<u>329.57</u>
	3,357.78	2,300.17

DIVIDEND

Your Directors are pleased to recommend to the Members, for their approval, a dividend of Rs.0.50 per Equity Share of Rs.2 each in the Company for the year ended 31st March, 2013.

REVENUE

The gross revenue from operations of your Company including sale of tea, receipts for technical and support services and the turnover of new Rossell Hospitality division was Rs.10,596.64 lakhs for the current year as against Rs.8,297.00 lakhs in the previous year. This represents an increase of Rs. 2,299.64 lakhs i.e., 27.72%.

PERFORMANCE**Rossell Tea**

The Directors view with utmost satisfaction your Company's performance for the year under review. The Division achieved averages which were among the highest in the industry. Its position as a producer of quality tea was once again reiterated this year.

The Division's average for its produce for 2012-13 was Rs.210.22 per kg. against Rs.171.52 per kg. in 2011-12 and Rs.170.45 per kg. in 2010-11. This reflects an increase of Rs. 38.70 i.e., 22.56% over 2011-12. Significantly the overall average for Assam was Rs.150.16 per kg. These figures reflect the consistency and quality standards at Rossell.

ROSSELL INDIA LIMITED

The year showed quite clearly that the market was willing to pay more for quality. Quality will continue to get the premium this year as well. Despite a very slow start to the year due to a long drought and shortages in the pipeline, the market quickly segmented itself and the better quality was clearly rewarded. Within the production categories CTC teas were steady at improved levels. The orthodox market due to lower production as also due to a better payment gateway with Iran saw much better prices. Whilst the Assam average for orthodox teas was Rs.196.61 your Company's averages were Rs.232.50. Both in the CTC and orthodox segments your Company outperformed the market.

On the export front the Division performed significantly better. Exports in volume terms grew by 18.00% whilst per kg. realization was higher by about 10.00%. This is on the back of an excellent performance in the Financial Year 2011-12.

The sceptre of climatic aberrations are now a part and parcel of agriculture and will always need to be factored in from hereon. The Financial Year under review was no exception. The season commenced on the back of one of the worst droughts in recent times and largely limped through the year to a below average crop. It is now been three successive years that north east India has seen poor crops.

Your Company has continued to improve its cultural operations to mitigate the drought effects. It has also reinforced its irrigation facilities at Nagrijuli and Bokakhat T.Es. Romai T.E. is also being brought under the irrigation umbrella. These investments helped mitigate the effects of the late rains in March 2013.

The Division continued to upgrade and modernize its assets. Field development continued and all uprooting and replanting targets were met. Your Company continues to invest in its long term goals and this policy direction remains unchanged.

At Rossell, we have continued to maintain a prudent product mix and this has again paid dividends and helped sustain and enhance profitability. Our policy of prudent product-mix, cost management and productivity enhancement despite lower crops have helped us negate the inflationary pressures.

Acquisition

Rossell Tea acquired two tea estates in the Financial Year under review. Namsang T.E. located in Dibrugarh District of Assam, producing approx. 7 lakhs kgs. and was acquired on and with effect from 18th June 2012. Kharikatia T.E. located in the quality belt of Jorhat District of Assam was acquired on and with effect from 1st November 2012. The Estate produces approx. 8 lakhs kgs. of CTC teas. Both the estates are expected to significantly reinforce the Division's bottom-line.

Own crop during the year under review was 43.10 lakhs kgs. as against 39.43 lakhs kgs. in the previous year. This crop includes the production of 4.38 lakhs kgs. from Namsang T.E. and 1.19 lakhs kgs. from Kharikatia T.E. Including bought leaf the total production was 43.54 lakhs kgs. during 2012-13. The variation in crops is due to the drought experienced at the start of the year and the erratic weather during the year.

Aviation Products and Services

Aerotech Services continues to provide product support services for OEMs equipment fitted on aircraft, helicopters, ships and other platforms in India. As the Field Services Engineers have gained technical experience they are also able to take on advanced tasks.

Rossell Techsys (RT) main thrust areas are manufacture of looms and harnesses, design and development of automatic test benches, system integration and embedded software solutions. The Division has achieved certifications which conform to international standards.

Rossell Hospitality

Rossell Hospitality (RH) has started Indian Fast food Quick Service Restaurant (QSR) under the brand name

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'Kebab Xpress' (KX). Its first two outlets are operational in the heart of Delhi at Connaught Place. Response to this format has been encouraging. Consistency in quality of our products, excellent service and high levels of hygiene are being well appreciated by the consumers. The takeaway and delivery options have shown good response.

KX price points have been kept in the middle of the pyramid so as to address large urban / semi urban population.

PROSPECTS

Rossell Tea

World black tea production in 2012 was lower by 1.31% as compared to 2011. African production was lower, with Kenya in the negative, despite the surge later in the year. Indian crops as announced by the Tea Board of India were marginally lower at 1,112 million kgs. as against 1,116 million kgs. in 2011. This jump in Indian production has been attributed to better data capturing by the Tea Board. Whilst assessing Indian production this increase would notionally have to be ascribed to the last decade and not seen as a sudden spurt of crop.

Within India, pipelines are starved of tea especially quality tea. Orthodox is also in short supply for export. We see the start of the season in both categories as being demand led. However consistency and good quality alone will pay dividends in both categories.

In the last few years we have seen new challenges emerging whether these are climate related or pesticide infestation, or the uncertainty in some export markets. Rising costs of all inputs have been a cause of concern especially fertilizers along with deteriorating power supply leading to more self generation and hence higher costs. This challenge too is being met in a prudent and organized manner.

Aviation Products and Services

The Government of India has finalized a new Defence Procurement Policy 2013, which is likely to be announced shortly. The Government has made a major change whereby greater thrust has been given to indigenization of defence procurement. 'Buy Global' has been made the last choice by the Government. This change in policy will provide greater growth of private participation in the Indian defence sector.

The foreign OEMs / companies which have already signed contracts in the past in Aerospace sector, are now eager to appoint additional Indian companies as Offset Partners.

We are in active dialogue with major aircraft/helicopter manufacturers. OEMs submitting new proposals are including Rossell aerospace divisions as their Indian Offset Partner (IOP).

Aerotech Services has accordingly submitted various proposals to foreign OEMs for providing product support services for their avionics equipment fitted on various platforms.

During the year 2012, RT continued to focus on its identified areas of competencies - Embedded systems, Automated Test Solutions, Wire Harness Engineering and Looms. These competencies are being built up in RT's state of the art engineering centre in Bangalore. RT has also added another milestone in its credentials list, the ISO 27001 certification for the safety, security and management of information systems (ISMS). This will further the prospects of RT's relationships with foreign OEMs. During the year, RT has made significant strides in the number of MOUs signed with foreign OEMs expanding the potential for business with them in the near future. Business development and prospects for RT, apart from domestic and local public sector undertakings and private sectors, has now grown to include foreign OEMs from the US, Europe and Israel.

Rossell Hospitality

RH is planning to open 8 to 10 more outlets within the Delhi NCR region in existing / new upcoming malls, corporate hubs and food dedicated zones. All our four categories of product i.e., Kebabs, Kathis, Curries and

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Biryanis are being well appreciated by the customers.

SUBSIDIARY COMPANY

The name of the subsidiary company namely Rossell Aviation Pvt. Ltd. was changed to CAE Rossell India Ltd. (CRIL) with effect from 11th July, 2012. The Foreign Investment Promotion Board (FIPB) approval has already been received from Ministry of Finance, Govt. of India.

CRIL is an offset eligible company. Aircraft/helicopter manufacturers have welcomed this JV, as CAE itself is the manufacturer of Simulators for various platforms. It's an ideal situation for the OEMs to appoint CRIL for installing, operating and maintaining the simulators for their future programs.

The company has started submitting proposals comprising of undertaking installation, maintenance and operation of simulators for projects related to offset obligations that foreign OEMs need to fulfill under their contract with the Ministry of Defence.

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 various Companies owning Hotels as part of Lemon Tree Group. Your Company has since sold and transferred its entire shareholding in these Companies on 29th April, 2012 at an attractive price.

STAFF WELFARE AND SOCIAL ACTIVITIES

The Company continues to espouse the principles of welfare safety and health of its working force in a clean and congenial environment. Workers' health and well-being continues to be a priority with your Company. The infrastructure in the areas of welfare schemes, health, hygiene, education and a clean potable water supply continues to be strengthened. The sanitation initiative of the UNICEF has been taken forward very strongly in the year under review. Sanitation for all is a focus area with your Company.

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

a. Environment

To further enhance this perspective the Company has decided to go in for Rainforest Alliance for its estates. Sustainable Agriculture, environmental protection and societal development are its main thrust areas. At Rossell we would further reinforce these imperatives.

b. Education

Well equipped schools for workers children at all estates.

c. Health

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

- ix. Malaria prevention scheme.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in preparation of the Company's Annual Accounts for the year ended 31st March, 2013 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, 2013 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, 2013 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. H. M. Parekh and Mr. P. L. Agarwal retire at the forthcoming Annual General Meeting, but being eligible offer themselves for re-appointment.

The terms of appointment of Mr. C. S. Bedi, Managing Director will expire on 30th September, 2013. Accordingly, in the Meeting of the Board of Directors held on 15th May, 2013, he has been re-appointed as Managing Director for a further period of three years from 1st October, 2013 to 30th September, 2016, 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

The All India production in season 2012 was 1,111.76 million kgs. as against 1,115.72 million kgs. in 2011, a minor deficit of 3.96 million kgs. The figures for these years as released by the Tea Board of India, do not necessarily indicate a large surge in production, but are reflective of better data capturing. This would also indicate that India had actually touched the 1.0 billion production mark several years ago. In our opinion robust consumption growth (3%) has been in evidence for a few years whilst the

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crops have largely been stagnant. Adverse weather and the renewed uprooting and replanting scheme under SPTF, a flagship scheme of the Ministry of Commerce, have been responsible for this. We expect the crops to move up but this will not happen in the next 5 - 6 years. In effect, the market will be demand led as is seen by the very tight pipeline stocks at the commencement of each recent season.

The market for CTC teas was firm through the year. Orthodox production declined in 2012 due to the uncertain trading environment with Iran in 2011. With issues in this area being largely resolved, the orthodox prices were very buoyant and escalated by Rs.55 over the previous year, which had seen depressed prices. While the other producers preferred to reduce the Orthodox production, we continued to produce the same, which had been more than 65% of our total production during the year under review.

Your Company however achieved higher averages than the previous year, averaging Rs.210.22 per kg. for this category of production as against the Assam average of Rs.150.16 per kg.

The Company's exports stand at 10.24 lakhs kgs. with a revenue of Rs.2,644 lakhs. This shows an increase of about 18% in volume terms and about 30% in value terms over last year. Export has been a focal area and we have exceeded our estimates this year. The Company's thrust on quality teas continues to enhance the profitability of the enterprise.

Aviation Products and Services

In the year 2012, we have had several foreign OEMs showing interest in the company's vision to be a Key India Partner (KIP) or an offset partner. We envisage this dialogue converting into partnerships in the coming year.

As OEMs are large multinational companies, it is a lengthy process between starting a dialogue and signing a contract with them. We are quite hopeful that in the forthcoming year, we should have a major breakthrough.

Rossell Hospitality

The overview of the food service industry is positive. Among other reasons, higher level of disposable income is propelling growth. The QSR industry is outpacing the standard full service format. International brands are enhancing their product offerings & widening their market base. Fast food is the fastest growing format. Many domestic players are playing crucial role in propelling growth. Indian QSR business format offers change to India's growing population who are eager to experiment with their dining choices. The interest shown in the QSR business is evident with the increasing numbers of PE investments in this industry.

(b) Opportunities and Threats

Rossell Tea

World crop in 2012 was slightly lower than that in 2011. This has been the trend over the last several years, with world crops largely stagnant on a three year moving average. Worldwide there is no expectation of untrammled growth in crops, except in China, which continues to grow in the green tea segment and this does not compete with black tea consumption. The world tea market is expected to be stable, with its share of seasonal aberrations.

In India clearly consumption is rising and with hardly any growth in production, in the medium term, the market will be demand led and hence strong. With uprooting and replanting operation, especially in north east India gathering momentum our view of a strong market is further reinforced, all the more so that quality tea will receive strong attention from buyers at remunerative prices, therefore quality has to be the 'operative word'. We expect the price concertina between good and medium teas to widen further in 2013. The industry must avoid producing large volumes of poor teas, as this could easily upset the

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bright forecast for 2013. Thus, in effect the companies producing poor quality teas are likely to suffer.

Your Company's stated policy and practice is to produce the best possible quality teas, be it CTC or Orthodox. In this area our record has been very good and consistent. With this has come international recognition for Rossell and a continuous enhancement of brand equity for the Company.

Whilst the political uncertainty in certain Middle East countries continues to escalate, overall the situation is better than in 2012. Iran has been able to resolve its payment problems. Egypt is settling down and UAE is stable, this augurs well for Indian exports. There is a resonance of buoyancy in prices both for the internal and export markets.

With consumption of tea increasing worldwide there is a 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 in no ones control. Nonetheless effects of droughts, hail and floods can be minimized by adherence to good agricultural practices.

Aviation Products and Services

The Company continues to sign MOUs with foreign OEMs to build technological skill, services and product portfolio to achieve benefits from offsets. The Company has focused on achieving certification of international standard which has been well appreciated by OEMs. The Company has achieved timely execution on quality and cost as well as technical skill consolidation by getting more manpower certified.

With the likely change in DPP for greater thrust on indigenization, the Company endeavours to pay increased attention to the 'make' category in the aerospace sector.

Aerospace business itself is time consuming. Design and development of any product / system goes on for many years before it is accepted and put into production.

Risks and reward continues to exist and are an integral part of the playing field.

Rossell Hospitality

Favourable demographics and growing working population will augment demand for food chains. Growth in domestic tourism, higher disposable incomes and increasing urbanization will continue to enhance QSR business.

KX sees threats in the macroeconomic factors, rising inflation and lack of qualified manpower. KX is addressing these issues through proper training curriculums and doing its best to minimize any adversity to this effect. Any downturn in the economic sentiments directly affects the industry since majority population curtails such spends first.

(c) Segment-wise Business Performance

Rossell Tea

The markets for both CTC and orthodox teas were firm through the year. Clearly better quality teas performed well. With the price concertina between good and medium teas widening even more than in 2011 - 12. Lower stocks, poorer production than in 2011 and lower production of orthodox by about 10 million kgs. in north east India, saw strong demand. A stable situation in Iran and increasing demand in

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that country saw orthodox teas fetching handsome prices. The Company had amongst the highest prices both in domestic and export markets.

Our average of Rs.210.22 per kg. for the year was Rs.38.70 per kg higher than the previous year by 22.56%. These averages have been amongst the best in the Industry. Our performance on the export front was also noteworthy, showing an increase of 18% in volume terms and 30% in value terms. The turnover from exports in 2012-13 was higher by Rs. 603 lakhs at Rs.2,644 lakhs.

Aviation Products and Services

Aerotech Services continues to fulfill its commitments of providing product support services by maintaining the systems / equipments onboard various platforms. These equipments were supplied by OEM and are fitted on platforms all across the country and Aerotech Services is involved in repair and maintenance of these equipments. The customer and the foreign OEM are fully satisfied with on the job performance by Aerotech Services. Aerotech Services continues to contribute towards the overall profitability of the Company.

Rossell Techsys is investing in human resources to increase the caliber of the staff members, robust processes and state of the art infrastructure and tools, which are mandatory to be a leader.

Rossell Hospitality

RH is planning to open more locations to popularize its format so as to establish KX as a brand. During the course of this year KX format has worked on the take away orders and has started delivery in the close vicinity of the Restaurant. KX has received a good response from customers.

(d) Outlook

Rossell Tea

The current world production scenario has seen normal cropping with Kenya having recovered its shortfall of 2012. In all we expect stable production figures for the year 2013, which can be absorbed by the demand. We expect Indian production to be better, given the slightly better start to the season than in 2012. Having said this, the years 2010, 2011 and 2012 have seen declining production; hence even a good harvest in 2013 should come into a good market. Quality will continue to pay; and there will be fewer takers for poor quality teas.

The season 2013 has already started on a buoyant note and we expect prices to be better till end July, than last year. This would ensure better returns for quality tea producers.

There is of course the issue of inflationary pressures and rising costs in all areas of production are always a cause of concern. This is a challenge and prudent cost control and improving productivity will be the need of the hour.

Your Company continues its mission of producing quality teas in 2013 and will continue to build on our performance of 2012.

Aviation Products and Services

Aerotech Services is being approached by foreign OEMs for product support services and business in the coming years is likely to grow further.

RT is in the advance stage of discussions with various OEMs and is quite hopeful of getting business from them. If that materializes, it will be a contract for a long period covering several years. The division's focus is for joint ventures and long term partnerships.

Rossell Hospitality

We see fundamentals in the economy to remain strong and thus expect reasonable growth. Many existing and new malls, corporate hubs, food dedicated zones have been assessed for opening KX outlets. RH will continue to build upon three avenues of growth i.e., dine in, take away and deliveries in a phased and structured manner. We are looking to open KX outlets at 8 to 10 locations this year.

(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.

Currently prospects are good all round. However the uncertain situation in the Middle East, though better than 2012, can impact exports. Iran too has been subject to increasing sanctions from the United States and there are periodic uncertainties. Nonetheless the issue of Iran payments now has a robust and reliable gateway.

Aviation Products and Services

Aerotech Services has long term contract and has additional opportunities for new contracts. As long as Aerotech continues to perform well then the risk is negligible.

In principle, whatever domestic business is generated in India, is on tender basis where the technically accepted lowest commercial bidder will be awarded the contract. There are various delays involved in tendering process from customer's end before the contract is awarded.

Profitability in domestic business is low and therefore the focus on domestic business is essential for credibility building. The credibility built will be used for foreign OEMs for revenue and profitability growth.

Rossell Hospitality

RH business is directly linked to the economic sentiments and satisfaction of the consumer. In the hospitality business, each and every customer arriving at our outlets needs to be attended to with utmost care for the growth of our format.

RH has a long term vision and strategy to minimize the risk to its growth.

(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.2,744.13 lakhs against Rs. 2,209.83 lakhs in the previous year.

The Aviation Products and Services business segment of the Company contributed Rs. 24.85 lakhs to the operating profit before depreciation, as against Rs. 328.81 lakhs in the previous year.

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The newly established Rossell Hospitality Division, being in the inception stage posted a loss before depreciation of Rs. 245.98 lakhs.

In spite of the investments and expenses incurred in the inception stage of the new division, the overall operating profit before depreciation of the Company is Rs.2,849.62 lakhs as against Rs.2,548.26 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 about 6,500 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 : 15th May, 2013

H. M. Gupta
Executive Chairman

Annexure I to Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

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, 2013</u>	<u>Year ended 31st March, 2012</u>
A. Power & Fuel Consumption :		
1. Electricity		
a) Purchased		
Units (Kwh in lakhs)	17.37	15.35
Total Amount (Rs. in Lakhs)	137.99	126.66
Rate/Unit (Rs.)	7.94	8.25
b) Own Generation		
i) Through Diesel Generator		
Units (Kwh in lakhs)	7.53	5.29
Unit/Ltr of Diesel Oil	2.47	2.79
Fuel Cost/Unit (Rs.)	20.31	14.44
ii) Through Natural Gas Generator		
Units (Kwh in lakhs)	10.68	8.87
Total Cost of Gas Consumed (Rs.in Lakhs)	17.14	16.27
Fuel Cost/ Unit (Rs.)	1.60	1.83
2. Natural Gas		
Quantity (Scm in lakhs)	20.75	20.85
Total Cost (Rs.in Lakhs)	131.28	109.80
Average Rate/Unit (Rs.)	6.33	5.27
3. Coal (Coke/Rom) for Tea Processing		
Quantity (MT)	2,563.15	1,794.64
Total Cost (Rs. in Lakhs)	176.98	96.90
Average Rate/Unit (Rs.)	6,905	5,399
B. Consumption per Unit of Production :		
Production - Tea (Gross) Lakhs Kgs.	44.88	40.90
Electricity (Kwh)	0.79	0.72
Natural Gas (Scm)	0.85	0.82
Coal (Coke/Rom) (Kgs.)	1.24	1.17

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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
3. Future Plan of Action :
: which is registered under Section
: 35(1)(ii) of the Income Tax Act,
: 1961. A contribution of Rs.7.75 Lakhs
: (2012-Rs. 6.87 Lakhs) was made towards
: subscription for the year.
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. The
: concerned staff members are also
: sponsored to attend various seminars and
: workshops for updating themselves in various
: aspect of the functioning of the Company.
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 is being
: 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 : 15th May, 2013

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, 2013.

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	58	1st May, 1996	Executive Chairman	189.61	B.A. (Hons.)	BMG Enterprises Limited - Chairman & Managing Director (still continuing)	38

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 : 15th May, 2013

H. M. Gupta
Executive Chairman

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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, 2013 are given below:-

Director	Category	No. of Companies		
		Member of Board	Board Committees #	
			Chairman	Member
Mr. H.M. Gupta	Executive Chairman	6	-	-
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	1	8
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, 6 Board Meetings were held on 17.04.2012, 17.05.2012, 10.08.2012, 31.10.2012, 17.12.2012 and 12.02.2013.

The last AGM was held on 10.08.2012.

Details of attendance:

Director	No. of Board Meetings Attended	Whether attended Last AGM
Mr. H.M. Gupta	5	Yes
Dr. S.S. Bajjal	5	Yes
Mr. H.M. Parekh	5	Yes
Mr. P.L. Agarwal	2	No
Mr. V. P. Agarwal	5	Yes
Mr. C.S. Bedi	5	Yes

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.
10. To administer the Whistle Blower Policy and oversee the functioning of the Ombudsperson appointed under the Policy.

During the year under review, 4 Meetings of the Audit Committee were held on 17.05.2012, 10.08.2012, 31.10.2012 and 12.02.2013.

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.

ROSSELL INDIA LIMITED

During the year under review, a Meeting of the Remuneration Committee was held on 17.05.2012.

Remuneration as per Terms of Service paid to Directors during the year 2012-2013 : **Rs. in lakhs**

Name of Directors	Salary and Allowance	Commission	Contribution to P. F. and other Funds	Value of Perquisites	Total
Mr. H.M. Gupta, Executive Chairman	35.50	132.79	4.26	17.06	189.61
Mr. C.S. Bedi, Managing Director	25.20	–	7.11	13.94	46.25

- 1) Mr. H.M. Gupta :
 Service contract : 01.05.2012 to 30.04.2015
 Notice period : Three months
 Severance Fee : Not Applicable
- 2) Mr. C. S. Bedi :
 Service contract : 01.10.2010 to 30.09.2013
 Reappointment for a further period of three years has been made, subject to approval of the Members.
 Notice period : Three months
 Severance Fee : Not Applicable

Sitting Fees and Commission paid/payable to the Non-Executive Directors during the year 2012-2013 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	0.50	0.30	0.80	5.00	7,500
Mr. H.M. Parekh	0.50	0.80	1.30	3.00	-
Mr. P.L. Agarwal	0.20	0.05	0.25	1.00	-
Mr. V. P. Agarwal	0.50	0.25	0.75	3.00	-

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 12 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 15th May, 2013	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
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.
10.08.2012	Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017	10.30 a.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 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 Septembers, 2013.
- b) 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 upto 31st March, 2012.
- c) In the Annual General Meeting held on 10th August, 2012:- 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, 2012 to 30th April, 2015 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 Vice President with effect from 1st August, 2012, subject to approval of the Central Government.

7. Other Disclosures :

A. Related party transactions :

Disclosures on materially significant related party transactions: The Company has not entered into any transactions of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company. The transactions undertaken during the year have been disclosed as Clause 4 in Notes T to the Financial Statements for the year ended 31st March, 2013.

- 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:

- i) **Whistle Blower Policy:** The Board of Directors of the Company has adopted the Whistle Blower Policy in their Meeting held on 15th May, 2013. In terms of this Policy, Mr. V. P. Agarwal, an independent non-executive has been appointed as Ombudsperson, who in turn is responsible to the Audit Committee of the Board of Directors. Any employee may make any protected disclosure to the Ombudsperson.
- ii) **Remuneration Committee:** The Remuneration Committee was formed on 3rd May, 2002 and has been functional since then as stated in Clause 4 above.
- iii) **Auditors Report:** There has been no qualification/ adverse remark by the Auditors in their Audit Report for the year.
- iv) Other non-mandatory requirements are yet to be adopted.

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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, 2013. All other mandatory requirements have been duly complied with, to the extent applicable.

E. Declaration of compliance with the Code of Conduct

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

2nd August, 2013 at 2.00 P.M.
Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020

(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, 2012	On 10.08.2012
2nd quarter ended 30th September, 2012	On 31.10.2012
1st Half: April - September	On 31.10.2012
3rd quarter ended 31st December, 2012	On 12.02.2013
Final Audited Results for the Year including for the 4th quarter ended 31st March, 2013	On 15.05.2013

(c) Book Closure period :

27th July, 2013 to 2nd August, 2013 (both days inclusive)

ROSSELL INDIA LIMITED

(d) Listing on Stock Exchanges :

The Company's securities are listed at:

1. National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
2. BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
3. The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700 001
4. 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 2013-2014.

Scrip Code :

Stock Exchange	Scrip Code
National Stock Exchange of India Ltd.	ROSSELLIND
BSE 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, 2013. 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, 2012	50.00	43.00
May, 2012	49.00	39.95
June, 2012	48.70	37.50
July, 2012	48.90	34.20
August, 2012	41.80	31.80
September, 2012	37.70	26.50
October, 2012	51.65	29.65
November, 2012	49.00	38.00
December, 2012	54.90	42.00
January, 2013	51.00	42.40
February, 2013	45.75	37.05
March, 2013	41.50	33.00

The Company's Equity Shares were admitted for Listing on National Stock Exchange of India Limited on 25th September, 2012 and the performance indicators of Company's Equity Shares are highlighted below :

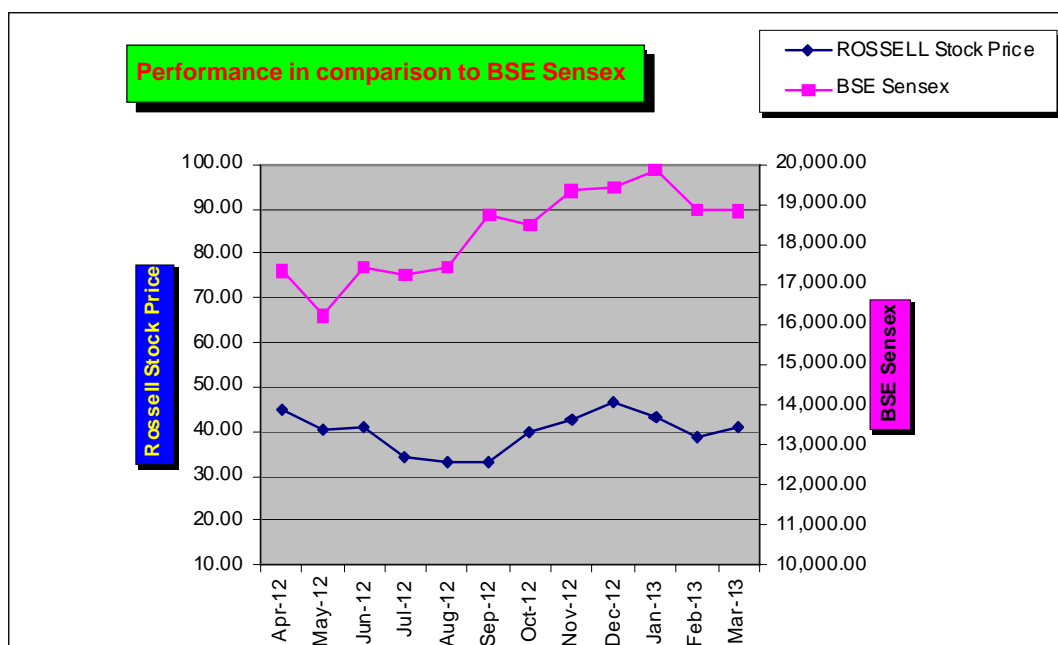
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Month	High	Low
Upto 31st October, 2012	52.70	28.50
November, 2012	45.95	37.95
December, 2012	55.00	42.10
January, 2013	52.00	40.40
February, 2013	47.80	37.00
March, 2013	41.95	31.10

The last traded price at the National Stock Exchange of India Limited on 14th May, 2013 was Rs. 40.0

(f) Stock Performance :

Company's Share Price vis-à-vis BSE Sensex:
(April, 2012 to March, 2013)



(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, 2013, 3,59,00,652 Nos. of Equity Shares, representing 97.8313% of the Equity Capital have been dematerialised.

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(j) (i) Distribution of shareholding as on 31st March, 2013

Range (No. of shares)	No. of Shareholders	%	No. of Shares held	%
1 to 500	5,955	88.14	8,94,799	2.44
501 to 1000	454	6.72	3,30,370	0.90
1001 to 2000	147	2.18	2,16,816	0.59
2001 to 3000	70	1.04	1,79,827	0.49
3001 to 4000	23	0.34	80,123	0.22
4001 to 5000	19	0.28	89,708	0.24
5001 to 10000	31	0.46	2,31,683	0.63
10001 & higher	57	0.84	3,46,73,149	94.49
TOTAL	6,756	100.00	3,66,96,475	100.00

(ii) Shareholding pattern as at 31st March, 2013

Category	No. of Shareholders	No. of Shares held	% to Equity Share Capital
Non-Resident Individuals	48	56,902	0.16
Foreign Institutional Investors	1	35,00,000	9.54
Financial Institutions*	5	510	0.00
Mutual Funds & UTI	2	1,50,010	0.41
Directors & their relatives	6	33,10,156	9.02
Resident Individuals	6,504	39,86,867	10.86
Nationalised Banks	2	90,150	0.24
Other Bodies Corporate	187	2,54,81,635	69.44
Unclaimed Suspense Account	1	1,20,245	0.33
Total	6,756	3,66,96,475	100.00

* FI includes Insurance Company and other Banks.

(iii) Total Number of Equity Shares	3,66,96,475	100.00%
Number of Shares held by Promoter Group*	2,73,53,956	74.54%
Number of Shares held by Public	93,42,519	25.46%

*Not pledged or encumbered in any manner

(k) Plant Locations :

After acquisition of two new Tea Estates during the year, the Company owns seven Tea Estates in Assam, as given below as on date. Each Estate has its own well-equipped Factory for processing of Black Tea:

ASSAM

Dist. Dibrugarh

Dikom, Romai, Namsang

Dist. Tinsukia

Nokhroy

Dist. Baksa

Nagrijuji

ROSSELL INDIA LIMITED

Dist. Golaghat
Bokakhat

Dist. Jorhat
Kharikatia

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.**

Rossell Hospitality Division of the Company has two North Indian Fast Food Outlets - "Kebab Xpress" at the following Places :

**M-43, Ground Floor
Outer Circle, (Opp. Shankar Market)
Connaught Place, New Delhi**

**N-5, Outer Circle
Connaught Place
New Delhi - 110 001**

(I) 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 : 15th May, 2013

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, 2013 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 : 15th May, 2013

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 2012-2013 and shall comply with such Code during the year 2013-2014.

Place : Kolkata
Date : 15th May, 2013

H. M. GUPTA
Chief Executive Officer

ROSSELL INDIA LIMITED

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, 2013 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 : 15th May, 2013

N. K. Khurana
Chief Finance Officer

Auditors' Report

To the Members of Rossell India Limited

We have examined the accompanying financial statements of Rossell India Limited (the Company) which comprises the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and summary of significant accounting policy and other explanatory information.

Management Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Our Responsibility

Our responsibility is to express an opinion on these financial statements based on our examination. We conducted our examination in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the examination to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Our audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, we considered the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design examination procedures that are appropriate in the circumstances. Our examination also included evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Your attention drawn to Note No.8 to the Statement of Profit and Loss regarding Rs.12.00 lakhs payable as commission to Directors, pending approval from the Members of the Company in the Annual General Meeting.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii) In the case of Statement of Profit and Loss, of the Profit of the Company for the year ended on that date;
- iii) In case of Cash Flow Statement, of the Cash Flows for the year ended on that date;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order, to the extent applicable to the Company;

ROSSELL INDIA LIMITED

2. As required by section 227(3) of the Act, we report that :
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our examination;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. 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, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

- i.
 - (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
 - (b) 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.
 - (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 maintains a Current Account with fully owned 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 Current Account is Rs.13.32 lakhs in respect of Subsidiary Company. The maximum amount due at any time during the year in the said Current Account is Rs.13.32 lakhs.
 - (b) The outstanding in the Current Account with the Subsidiary Company is interest free, which, in our opinion, is not prima facie pre-judicial to the interest of the Company.
 - (c) There is no stipulation with regard to repayment of the balance in the Current Account, which is payable on demand.
 - (d) Therefore, no overdue amount has arisen as no demand for repayment of the balance in the Current Account 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 'nil' and the maximum amount involved during the year was Rs.962 lakhs.

ROSSELL INDIA LIMITED

- (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-section (1) of Sec.209 of the Companies Act, 1956. We have broadly reviewed the records and Accounts maintained by the Company. We are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of such records.
- ix. (a) According to the information and explanation given to us and on the basis of records of the Company examined by us, we are of the opinion that the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education 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 custom 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:

<u>Amount (Rs. in lakhs)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is pending</u>
70.65	Assessment Year 2009-2010	Commissioner of Income Tax (Appeals)
139.97	Assessment Year 2010-2011	Commissioner of Income Tax (Appeals)

- x. The Company has no accumulated losses as 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.

ROSSELL INDIA LIMITED

- xi. According to the information and explanations given and on the basis of records examined by us, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company has not taken loan from any financial institution or raised any money through issue of Debentures.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, provisions of special statute applicable to chit fund or a nidhi or mutual benefit fund / society are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv. The Company has not given guarantee for loan taken by other from Bank / Financial Institution.
- 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 allotment of shares has been made by the Company.
- xviii. 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 : 15th May, 2013

ROSSELL INDIA LIMITED

Balance Sheet as at 31st March, 2013

	Note No.	As at 31st March, 2013	Rs. in Lakhs As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	A	733.93	733.93
(b) Reserves and Surplus	B	18,726.83	<u>15,986.96</u>
		19,460.76	<u>16,720.89</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	C	4,177.50	–
(b) Deferred tax liability (net)	D	40.00	–
(c) Long term provisions	E	22.45	22.04
		4,239.95	<u>22.04</u>
(3) Current Liabilities			
(a) Short term borrowings	F	1,197.48	943.41
(b) Trade payables	G	252.49	145.26
(c) Other current liabilities	H	1,725.64	650.60
(d) Short term provisions	I	264.54	204.63
		3,440.15	<u>1,943.90</u>
Total		27,140.86	<u>18,686.83</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets :			
(i) Tangible assets	J	18,004.15	11,656.93
(ii) Intangible assets	J	117.04	71.88
(iii) Capital work-in-progress		39.02	43.97
(b) Non-current investments	K	6,085.39	3,671.68
(c) Deferred tax asset (net)	D	–	13.00
(d) Long term loans and advances	L	762.29	826.14
		25,007.89	<u>16,283.60</u>
(2) Current assets			
(a) Inventories	M	555.30	277.30
(b) Trade receivables	N	701.67	615.63
(c) Cash and cash equivalents	O	389.04	879.21
(d) Short term loans and advances	P	245.41	289.99
(e) Other current assets	Q	241.55	341.10
		2,132.97	<u>2,403.23</u>
Total		27,140.86	<u>18,686.83</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 : 15th May, 2013

H. M. Gupta
Executive Chairman

C.S.Bedi
Managing Director

Dr. S. S. Bajjal
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, 2013

Particulars	Note No.	Rs. in Lakhs	
		2012-2013	2011-2012
I. Revenue from operations	1	10,593.90	8,283.81
II. Other Income	2	148.80	85.25
III. Total Revenue (I+II)		<u>10,742.70</u>	<u>8,369.06</u>
IV. <u>Expenses :</u>			
Cost of materials consumed	3	89.34	100.71
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	4	(66.98)	127.47
Employee benefits expense	5	4,437.45	3,113.79
Finance cost	6	217.69	56.17
Depreciation and amortization expense	7	306.86	195.74
Other expenses	8	3,215.58	2,422.66
Total Expenses		<u>8,199.94</u>	<u>6,016.54</u>
V. Profit before exceptional items and tax (III - IV)		2,542.76	2,352.52
VI. Exceptional Items	9	1,358.45	(72.00)
VII. Profit before tax (V + VI)		<u>3,901.21</u>	<u>2,280.52</u>
VIII. Tax expenses :			
(1) Current tax		820.00	475.00
(2) Deferred tax adjustment		53.00	(65.00)
		<u>873.00</u>	<u>410.00</u>
IX. Profit for the period (VII - VIII)		<u>3,028.21</u>	<u>1,870.52</u>
X. Earning per equity share :	10		
(1) Basic		8.25	5.10
(2) Diluted		8.25	5.10
Additional Information	11		

Notes 1 to 11 referred to above form an integral part of the Profit and Loss Statement.

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 : 15th May, 2013

H. M. Gupta
Executive Chairman
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Vice President (Finance)
-cum-Company Secretary

ROSSELL INDIA LIMITED

Cash Flow Statement for the year ended 31st March, 2013

	2012-2013	Rs. in Lakhs 2011-2012
A. Cash Flow from Operating Activities		
Profit before Tax	3,901.21	2,280.52
- Adjustment for :		
Depreciation	306.86	195.74
Finance Cost (Net)	217.69	56.17
(Profit)/Loss on Disposal of Fixed Assets (Net)	(145.17)	49.68
Provision for diminution in the value of Investments written back	-	(7.24)
Liabilities no more required written back (Net)	(4.59)	(3.13)
Loss on divestment of Subsidiary Company	-	72.00
Net Gain on sale of Investments (Including Exceptional Income)	(1,442.81)	(7.00)
	(1,068.02)	356.22
	2,833.19	2,636.74
Items Considered in Investing Activity :		
Interest on Deposits etc.	(52.70)	(69.69)
Dividend	(11.74)	(1.32)
	(64.44)	(71.01)
Operating Profit before Working Capital Changes	2,768.75	2,565.73
- Adjustment for :		
Current Assets including Long Term Loans and Advances	(379.09)	(18.28)
Current Liabilities	714.77	103.06
	335.68	84.78
Cash Generated from Operations	3,104.43	2,650.51
Finance Cost (Net)	(217.69)	(56.17)
Direct Taxes (Net of refund)	(802.74)	(488.78)
	(1,020.43)	(544.95)
Cash Flow before Extraordinary Items	2,084.00	2,105.56
Extraordinary Items	-	-
Net Cash Flow from Operating Activities	2,084.00	2,105.56
B. Cash Flow from Investing Activities		
Acquisition of Namsang T.E.	(2,852.36)	-
Acquisition of Kharikatia T.E.	(3,104.93)	-
Purchase of other Fixed Assets including Advances for Capital Assets	(711.63)	(913.02)
Sale of Fixed Assets (Including Subsidy received from Tea Board)	173.15	55.44
Purchase of Investments	(10,066.63)	(386.61)
Sale/Redemption of Investments	9,095.73	68.25
Divestment of Shares held in the Subsidiary Company	-	153.56
Compensation received from acquisition of Land	-	4.87
Interest Received	52.70	69.69
Dividend Received	11.74	1.32
Net Cash Flow from Investing Activities	(7,402.23)	(946.50)

ROSSELL INDIA LIMITED

	Rs. in Lakhs	
	<u>2012-2013</u>	<u>2011-2012</u>
C. Cash Flow from Financing Activities		
Intercompany Deposits Repaid (Net)	–	(46.00)
Intercompany Deposits Paid / Refunded (Net)	94.60	(94.60)
Proceeds of Term Loan from Banks	4,650.00	–
Proceeds of Working Capital Loan from Bank (Net)	254.06	(359.23)
Dividend Paid and Tax thereon - Dividend 2010-2011	–	(171.17)
- Dividend 2011-2012	(170.60)	–
Net Cash Flow from Financing Activities	<u>4,828.06</u>	<u>(671.00)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	(490.17)	488.06
Cash and Cash Equivalents as at 31.03.2012		
(Opening Balance)	879.21	391.15
Cash and Cash Equivalents as at 31.03.2013		
(Closing Balance)	389.04	879.21

Note :

The above Statement has been prepared under the Indirect Method as given in Accounting Standard AS-3, Cash Flow Statement.

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 : 15th May, 2013

H. M. Gupta
Executive Chairman

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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, 2013</u>	<u>Rs. in Lakhs As at 31st March, 2012</u>
A. SHARE CAPITAL		
Authorised		
4,50,00,000 Equity Shares of Rs. 2 each	<u>900.00</u>	<u>900.00</u>
Issued, Subscribed and Paid up		
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 voting rights and distribution of dividend as well as to receive the remaining assets of the Company in the event of liquidation after distribution of all preferential amounts		
	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
BMG Investments Pvt. Ltd.	417,960	-
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	230.33	225.46
Add: Compensation received on Sale of Land	-	4.87
	<u>230.33</u>	<u>230.33</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	5,152.49	5,228.92
Less : Withdrawal on account of depreciation on incremental amounts upon revaluation (Note J)	75.09	76.43
	<u>5,077.40</u>	<u>5,152.49</u>
General Reserve		
Balance as per last Account	7,665.02	5,865.02
Add : Transfer from Profit and Loss Account	2,800.00	1,800.00
	<u>10,465.02</u>	<u>7,665.02</u>
Surplus in Profit and Loss Account		
Balance as per last Account	329.57	429.65
Add : Balance as per Profit and Loss Account	3,028.21	1,870.52
	<u>3,357.78</u>	<u>2,300.17</u>
Less : Transfer to General Reserve	2,800.00	1,800.00
	<u>557.78</u>	<u>500.17</u>
Less : Dividend on Equity Shares	183.48	146.79
Tax on Dividend	29.77	23.81
	<u>344.53</u>	<u>329.57</u>
	<u><u>18,726.83</u></u>	<u><u>15,986.96</u></u>

ROSSELL INDIA LIMITED

	As at 31st March, 2013	Rs. in Lakhs As at 31st March, 2012		
C. LONG-TERM BORROWINGS				
Secured Loans				
Term Loans from Banks	<u>4,177.50</u>	<u>—</u>		
Notes :				
1. Current Maturities of these loans - Rs. 472.50 (Note H)				
2. These loans are secured on pari passu basis by hypothecation of Moveable Assets and Deposit of Title Deeds in respect of Namsang and Kharikatia Tea Estates of the Company pending creation of Equitable Mortgage, which would be formalized upon receipt of statutory approvals. The loan from one of the Banks is additionally secured by hypothecation of tea crops and book debts in respect of Kharikatia T.E.				
3. These loans are repayable in equated quarterly installments up to 6 year period from the date of respective disbursement and will be fully liquidated by the Financial Year 2018-2019.				
4. The Company has entered into Cross Currency Swap Transactions and opted to swap these loans from Indian Rupees in to US Dollars. The Contracts for such transactions outstanding as on 31st March, 2013 are as under :				
	Currency	Cross Currency	Buy (USD in lakhs)	Sell (Rs. in lakhs)
	Indian Rupee	US Dollar	40.59	2,250.00
	Indian Rupee	US Dollar	21.75	1,200.00
	Indian Rupee	US Dollar	21.75	1,200.00
			<u>84.09</u>	<u>4,650.00</u>
There is no mark to market loss as on 31st March, 2013.				
D. DEFERRED TAX LIABILITY / ASSET (NET)				
As per the Accounting Standard AS-22 - Accounting for taxes on Income, an amount of Rs. 13.00 lakhs was recognized as Deferred Tax Asset as on 31st March, 2012. During the year, a review with respect to the carrying amount of Deferred Tax Asset was done and the same was reversed with provision of Deferred Tax Liability of Rs. 40.00 lakhs as on 31st March, 2013. Thus, an amount of Rs. 53.00 lakhs has been shown as Deferred Taxation Adjustment in the Profit and Loss Account for the year ended 31st March, 2013. The components of Deferred Tax Asset / Liability are as under :				
	Deferred Tax Liability			
	Depreciation as per Books and Tax Laws		40.00	—
	Deferred Tax Asset			
	Depreciation as per Books and Tax Laws		—	13.00
			<u>40.00</u>	<u>13.00</u>
E. LONG TERM PROVISIONS				
Provision for employee benefits			<u>22.45</u>	<u>22.04</u>

ROSSELL INDIA LIMITED

F. SHORT TERM BORROWINGS

Secured Loans

Loans repayable on demand from Banks	<u>1,197.48</u>	<u>943.41</u>
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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, save and except that of newly acquired Namsang and Kharikatia Tea Estates and collaterally secured on pari passu basis by Equitable Mortgages of Dikom, Nokhroy, Bokakhat and Romai Tea Estates of the Company.

G. TRADE PAYABLES

Sundry Creditors	<u>252.49</u>	<u>145.26</u>
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H. OTHER CURRENT LIABILITIES

Current Maturities of Long Term Borrowings	472.50	–
Interest accrued but not due on borrowings	38.08	3.11
Unpaid Dividends*	7.16	5.22
Other Payables		
For Expenses etc.	954.26	601.02
Statutory Dues	78.57	41.25
Due to Gratuity Fund	<u>175.07</u>	–
	<u>1,725.64</u>	<u>650.60</u>

*Investor Education and Protection Fund shall be credited with the amount of Unpaid Dividends, when due.

I. SHORT-TERM PROVISIONS

Provision for Taxation (Net)	51.29	34.03
Proposed Dividend	183.48	146.79
Tax on Dividend	<u>29.77</u>	<u>23.81</u>
	<u>264.54</u>	<u>204.63</u>

ROSSELL INDIA LIMITED

Rs. in lakhs

Particulars	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTIZATION			NET BLOCK		
	Gross Carrying Amount as at the beginning of the year	Additions during the Year	Disposal/ Adjustments during the Year	Gross Carrying Amount as at the end of the Year	At the beginning of the year	for the year	On disposal during the Year	At the end of the year	Net Carrying Amount as at the end of the year	Net Carrying Amount as at the beginning of the year
Land and Planted Teas	6,690.96	4,652.89	-	11,343.85	-	-	-	-	11,343.85	6,690.96
Buildings	3,101.07	677.20	-	3,778.27	404.67	70.12	-	474.79	3,303.48	2,696.40
Leasehold Improvement	-	64.58	-	64.58	-	7.18	-	7.18	57.40	-
Plant and Equipment	2,529.37	886.55	23.53	3,392.39	994.48	169.23	-	1,163.71	2,228.68	1,534.89
Furniture and Fixtures	341.73	146.34	3.84	484.23	77.11	33.40	3.84	106.67	377.56	264.62
Vehicles	519.91	254.44	18.45	755.90	205.84	61.76	14.31	253.29	502.61	314.07
Office Equipments	133.74	35.38	0.54	168.58	31.49	7.77	0.23	39.03	129.55	102.25
Computers	100.06	21.69	-	121.75	46.32	14.41	-	60.73	61.02	53.74
31st March, 2013	13,416.84	6,739.07	46.36	20,109.55	1,759.91	363.87	18.38	2,105.40	18,004.15	11,656.93
31st March, 2012	12,665.22	884.14	132.51	13,416.85	1,522.10	265.22	27.40	1,759.92	11,656.93	
II. INTANGIBLE ASSETS										
Computer Software	81.07	52.40	-	133.47	9.18	15.91	-	25.09	108.37	71.88
Branding and Trade mark	-	10.84	-	10.84	-	2.17	-	2.17	8.67	--
31st March, 2013	81.07	63.24	-	144.31	9.18	18.08	-	27.26	117.04	71.88
31st March, 2012	22.88	58.19	-	81.07	2.24	6.95	-	9.19	71.88	

ROSSELL INDIA LIMITED

Notes :

- Additions for the year include the value of Fixed Assets acquired on purchase of Namsang and Kharikatia Tea Estates for consolidated amount (consideration paid to vendors and other related expenses), which has been apportioned as under :

<u>Particulars of Assets</u>	<u>Namsang T.E.</u> Rs. in lakhs	<u>Kharikatia T.E.</u> Rs. in lakhs
Land and Planted Teas	2,138.51	2,488.09
Buildings	285.34	213.15
Plant and Equipment	338.52	310.76
Furniture and Fixtures	74.99	80.25
Vehicles	12.86	8.37
Office Equipments	1.67	2.00
Computers	0.47	2.31
	<u>2,852.36</u>	<u>3,104.93</u>

- Disposal/ Adjustment during the year includes receipts from Tea Board of India towards Subsidy against Machinery and Equipment added in earlier years - Rs. 23.53 lakhs (2012 - Rs. 47.54 lakhs)
- 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 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	503.28
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.75.09 lakhs (2012- Rs. 76.43 lakhs) during the year

ROSSELL INDIA LIMITED

	As at 31st March, 2013	Rs. in Lakhs As at 31st March, 2012
K. NON-CURRENT INVESTMENT		
At Cost		
Trade Investments: Unquoted		
In Equity Instruments		
CAE Rossell India Limited (Subsidiary Company) 50,000 (2012-10,000) Equity Shares of Rs. 10 each fully paid up Application Money for 1,344,200 Equity Shares of Rs. 10 each	5.00 –	1.00 13.44
50,000 (2012- 50,000) Equity Shares of Rs.10 each fully paid up of Assam Hospitals Limited	5.00	5.00
Nil (2012- 1,04,162) Equity Shares of Rs.1 each fully paid up of Celsia Hotels Private Limited	–	1,507.35
Nil (2012- 14,44,500) Equity Shares of Rs.1 each fully paid up of PSK Resorts & Hotels Private Limited	–	390.01
Nil (2012- 10,65,150) Equity Shares of Rs.1 each fully paid of Hyacinth Hotels Private Limited	–	1,050.15
3,61,007 (2012- 3,61,007) Equity Shares of Singapore\$ 1 each fully paid up of RV Enterprizes Pte. Ltd. (Joint Venture - Extent of Shareholding - 26%)	120.05	120.05
In Preference Shares		
19,96,875 (2012- 11,47,500) Non-Cumulative Redeemable Preference Shares of US Dollar 1 each fully paid up of RV Enterprizes Pte. Ltd. (Joint Venture - Extent of Shareholding - 26%)	988.75	528.82
Other Investments: Unquoted		
In Mutual Funds		
Face value Rs.10 each 1,50,000 (2012 - 1,50,000) Sundaram BNP Paribas Energy Opportunities Fund- Dividend	15.00	15.00
43,45,899 (2012 - Nil) Units of ICICI Prudential Regular Savings Fund - Regular Plan - Growth	500.00	–
47,75,048 (2012 - Nil) Units of IDBI Dynamic Bond Fund - Growth	500.00	–
33,96,928 (2012 - Nil) Units of DSP Black Rock Income Opportunities Fund - Regular Plan - Growth	600.00	–
36,60,804 (2012 - Nil) Units of SBI Dynamic Bond Fund - Regular Plan - Growth	500.00	–
59,65,571 (2012 - Nil) Units of SBI Magnum Income Fund - Regular Plan - Growth	1,700.00	–
19,14,982 (2012 - Nil) Units of IDFC - Super Saver Income Fund - Investment Plan - Growth - (Regular Plan)	500.00	–
50,14,859 (2012 - Nil) Units of Templeton INdia Income Opportunities Fund - Growth	621.00	–
In Bonds and Debentures		
2,175 (2012- Nil) Tax Free, Secured, Redeemable Non Convertible Bonds in the nature of Debentures of Rs. 1,000 each in Railway Finance Corporation Ltd.	21.75	21.75

ROSSELL INDIA LIMITED

	As at 31st March, 2013	Rs. in Lakhs As at 31st March, 2012
Other Investments : Quoted In Equity Instruments		
Fully Paid Equity Shares of Rs. 10 each		
Nil (2012 - 2,972) NTPC Ltd.	–	6.84
552 (2012 - 552) Gujrat Narmada Fertiliser Ltd.	0.83	0.83
Nil (2012 - 3,309) PTC India Ltd.	–	3.43
50 (2012 - 50) Future Market Networks Ltd.	–	–
 Fully Paid Equity Shares of Rs.5 each		
2,138 (2012 - 2,138) Network 18 Media & Investments Ltd.	7.11	7.11
 Fully Paid Equity Shares of Rs.2 each		
1,000 (2012 - 1,000) GMR Infrastructure Ltd.	0.90	0.90
	6,085.39	3,671.68
Aggregate amount of Quoted Investment	8.84	19.11
Aggregate amount of Unquoted Investment	6,076.55	3,652.57
	6,085.39	3,671.68
Market Value of Quoted Investment	1.26	9.40
L. LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	109.11	237.55
Advance due by an Officer	9.37	–
Security Deposits	189.24	114.11
Other Deposits	12.67	0.20
Deposit with NABARD	166.96	210.57
Deposit with Assam Financial Corporation	274.94	263.71
	762.29	826.14
M. INVENTORIES		
Stock of Tea at lower of cost and net realisable value*	108.74	41.76
Stock of Stores and Spares at or under cost	402.97	206.58
Stock of Raw Materials at cost	29.59	14.96
Work-in-progress at works cost	14.00	14.00
	555.30	277.30
*Includes Stock-in-transit valued at Rs. 3.08 lacs (2012 - Nil)		
N. TRADE RECEIVABLES		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	61.71	264.09
Other Debts	639.96	351.54
	701.67	615.63
O. CASH AND CASH EQUIVALENTS		
Balances with Banks	365.95	145.09
Margin Money Account	0.30	21.29
Bank Deposits for less than 12 months maturity*	1.00	700.00
Unpaid Dividend Accounts	7.16	5.22
Cash on Hand	14.63	7.61
	389.04	879.21
*Under Lien with Delhi VAT authorities as Security Deposit- Rs. 1 Lakh		

ROSSELL INDIA LIMITED

	As at 31st March, 2013	Rs. in Lakhs As at 31st March, 2012
P. SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Loans and Advances to Related Parties		
Holding Company	–	93.00
Subsidiary Company	13.32	1.60
Advance due by an Officer	3.75	–
Other Loans and Advances		
Advances recoverable in Cash or in Kind or for value to be received	<u>228.34</u>	<u>195.39</u>
	<u>245.41</u>	<u>289.99</u>
Q. OTHER CURRENT ASSETS		
Interest Accrued on Deposits	23.19	50.93
Other Receivables	<u>218.36</u>	<u>290.17</u>
	<u>241.55</u>	<u>341.10</u>
R. CONTINGENT LIABILITIES AND COMMITMENTS		
(i) Estimated amount of Contingent Liabilities not provided for :		
a. Claims against the Company not acknowledged as Debt		
Income Tax	210.63	70.65
Land Revenue, Local Rates and Surcharge for Bokakhat T.E.	–	18.49
b. Guarantees		
Bank Guarantees outstanding	3.25	204.63
c. Uncalled Liability on Shares partly paid up (Subsidiary Company)	<u>–</u>	<u>120.98</u>
(ii) Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance)	<u>170.31</u>	<u>477.89</u>
S. DIVIDEND PROPOSED		
Amount of Dividend proposed to be distributed to Equity Shareholders for the Financial Year 2012-2013	183.48	146.79
Dividend per Equity Share of Rs. 2 each	Rs. 0.50	Rs. 0.40
% of Dividend proposed	<u>25.00</u>	<u>20.00</u>

	H. M. Gupta	Dr. S. S. Baijal	N. K. Khurana
	<i>Executive Chairman</i>	H. M. Parekh	<i>Vice President (Finance)</i>
		P. L. Agarwal	<i>-cum-Company Secretary</i>
Place : Kolkata	C.S.Bedi	V. P. Agarwal	
Date : 15th May, 2013	<i>Managing Director</i>	<i>Directors</i>	

ROSSELL INDIA LIMITED

Notes to the Profit and Loss Account

	<u>2012-2013</u>	Rs. in Lakhs <u>2011-2012</u>
1. REVENUE FROM OPERATIONS		
(a) Sale of Products		
Black Tea	9,057.89	7,037.51
Avionics, Aviation and Electronic Equipments	30.48	137.87
Food and Beverage	53.28	-
	9,141.65	7,175.38
(b) Sale of Services		
Receipts for Technical and Support Services	1,019.63	808.05
(c) Other Operating Revenues		
Subsidy - Replanting	19.54	63.01
Tea Board Orthodox Subsidy Scheme	95.13	93.04
Sale of Duty Credit Entitlements Licence	122.55	117.26
Duty Drawback	26.05	11.77
Sundry Receipts	22.33	25.36
Profit on Sale of Fixed Assets	145.17	-
Liabilities no more required written back (net)	4.59	3.13
	435.36	313.57
Total	10,596.64	8,297.00
Less : Excise Duty	2.74	13.19
	10,593.90	8,283.81
2. OTHER INCOME		
Interest Income	52.70	69.69
Dividend Income	11.74	1.32
Net Gain on Sale of Investments	84.36	7.00
Provision for diminution in the value of Investments written back	-	7.24
	148.80	85.25
3. COST OF MATERIALS CONSUMED		
Purchase of Green Leaf	34.58	33.41
Consumption of Raw Materials	54.76	67.30
	89.34	100.71
4. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock Of Tea	41.76	157.65
Less:Closing Stock Of Tea	108.74	41.76
	(66.98)	115.89
Opening Stock Of Work-in-Progress	14.00	25.58
Less : Closing Stock Of Work-in-Progress	14.00	14.00
	-	11.58
	(66.98)	127.47
5. EMPLOYEE BENEFITS EXPENSE		
Salaries,Wages and Bonus	3,625.36	2,475.95
Contribution to Provident and other Funds	472.08	356.73
Workmen and Staff Welfare	340.01	281.11
	4,437.45	3,113.79

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	2012-2013	Rs. in Lakhs 2011-2012
6. FINANCE COST		
(a) Interest		
Banks	224.50	80.84
Intercompany Deposits	11.08	5.79
Unsecured Loan from Managing Director (Executive Chairman)	8.64	5.23
	<u>244.22</u>	<u>91.86</u>
Less: Interest Subsidy	27.65	35.97
	<u>216.57</u>	<u>55.89</u>
(b) Other Borrowing Costs	1.12	0.28
	<u>217.69</u>	<u>56.17</u>
7. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation / Amortization	381.95	272.17
Less: Depreciation on amounts added on revaluation	75.09	76.43
	<u>306.86</u>	<u>195.74</u>
8. OTHER EXPENSES		
Consumption of Stores and Spare Parts	623.02	519.80
Power and Fuel	733.02	515.44
Cess on Green Leaf	74.76	68.34
Tea Cess	23.15	20.11
Rent	179.61	74.73
Rates and Taxes	26.39	22.36
Repairs to Building	127.13	80.79
Repairs to Machinery	159.67	119.43
Other Repairs and Maintenance	43.91	17.64
Vehicles Maintenance	109.59	81.05
Transportation	151.43	130.05
Shipment Charges	61.19	59.22
Warehousing and Selling Expenses	159.40	121.92
Post Sales Warranty Expenses	4.88	-
Brokerage	59.46	46.09
Commission on Sales	59.77	49.81
Insurance	27.42	20.60
Directors' Fee & Commission	15.35*	6.38
Auditors' Remuneration	5.80	4.80
Travelling and Conveyance	161.30	90.72
Miscellaneous Expenses	401.46	314.58
Net loss on Foreign Currency transactions/ translation	0.30	9.12
Loss on Disposal of Fixed Asset (Net)	-	49.68
Excise Duty for earlier years	7.57	-
	<u>3,215.58</u>	<u>2,422.66</u>
9. EXCEPTIONAL ITEMS		
(Loss) on Divestment of Subsidiary Company	-	(72.00)
Net Gain on Sale of Investments	1,358.45	-
	<u>1,358.45</u>	<u>-</u>

*Includes Rs. 12.00 lakhs payable as Commission to Directors, pending approval from the Members of the Company in the ensuing Annual General Meeting.

Note:

The Company has divested on 29th April, 2012 its entire shareholding in Companies owning Hotels. The Profit on such divestment, as above, has been considered as Exceptional item and shown accordingly.

ROSSELL INDIA LIMITED

	2012-2013	2011-2010
Rs. in Lakhs		
10. EARNINGS PER EQUITY SHARE		
Basic and Diluted as computed as per Accounting Standard AS-20		
PROFIT AFTER TAXATION	3,028.21	1,870.52
Weighted average number of Equity Shares outstanding in lakhs	366.96	366.96
Earnings per Equity Share of Rs. 2 each (Rs.)	8.25	5.10
11. ADDITIONAL INFORMATION		
(a) Auditors' Remuneration		
As Auditor	3.37	2.76
For Other Services		
Tax Audit Fee	0.39	0.33
Certification Job	1.91	1.65
Re-imburement of Expenses	0.13	0.06
	5.80	4.80
(b) Audit Fee paid/payable to M/s Shome & Banerjee, Cost Accountants included in Miscellaneous Expenses	1.07	0.72
Due date of filing of Cost Audit Report	28/02/2013	27/9/2011
Date of Uploading of Cost Audit Report with MCA	08/01/2013	13/9/2011
(c) Stores and Spares Consumed and debited to various heads of Account in the Profit and Loss Account (Indigenous)	1,197.38	895.08
(d) Earnings in Foreign Currency		
F.O.B. Value of Export Sales	2,615.82	2,015.56
Receipts for Technical and Support Services	1,000.53	770.50
(e) Expenditure in Foreign Currency		
Foreign Travel	15.56	13.50
Commission on Sales	59.77	49.80
Subscription	0.39	0.30
Tea Samples Analysis Fee	0.33	1.34
Consultancy Fee (Net of TDS and Service Tax)	11.67	14.18
Fee for participation in Tea Conference	0.48	-
(f) Value of Imports calculated on C.I.F. Basis :		
Raw Materials	4.24	14.98
Capital Goods	-	58.18

	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)</i> <i>-cum-Company Secretary</i>
Place : Kolkata	C.S.Bedi		
Date : 15th May, 2013	<i>Managing Director</i>		

ROSSELL INDIA LIMITED

T. Significant Accounting Policies and Other Notes to the Financial Statements for the Year ended 31st March, 2013

1. Significant Accounting Policies

1.1 Accounting Convention

The financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended and the relevant provisions of the Companies Act, 1956.

1.2 Basis of Accounting

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

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956.

1.3 Fixed Assets

Fixed Assets, both tangible and intangible, 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.

Leasehold Improvement for the premises taken on rent is amortized over the period of the lease.

Expenses incurred for development of Brand and Trademark are capitalized to be amortized over a period of 5 years.

Computer Software is capitalized where it is expected to provide future enduring economic benefit. The capitalization costs include license fee and cost of implementation and system integration services.

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

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.

1.4 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 Statement as prescribed by Accounting Standard-11, Accounting for the Effect of Changes in Foreign Exchange Rates.

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While the mark to market losses on the outstanding portfolio of Currency Swap is recognized in the Profit and Loss Statement, the net gain on such portfolio is ignored.

1.5 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.

Income from Investments and Gain/Loss on sale of investments are recognized in the Profit and Loss Statement for the year on accrual basis inclusive of related tax deduction at source.

1.6 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 and Work-in-progress have been valued at respective cost.

1.7 Staff Benefits

- a) From 1st May, 2012 onwards, the Company has made regular contribution to the Provident Funds, administered by the Governments and independent of Company's finances, in respect of all its eligible employees. Till 30th April, 2012, Provident Fund Contribution in respect of certain classes of employees was made to self managed recognized Provident Fund, which is being liquidated after making transfer of its entire corpus to Provident Fund administered by the Government. The Company also operates Defined Contribution Scheme for payment of Pension to certain classes of employees. Monthly contribution at 15% of the employees' current salary is made to recognized Superannuation Fund, which is fully funded and administered by Trustees and is independent of Company's finance. Contributions are recognized in Profit and Loss Statement on an accrual basis.
- b) Defined Benefit Gratuity Plan is also maintained by the Company. The Company contributes to the recognized Gratuity Fund, which is administered by the Trustees and is independent of Company's finance. The Annual Contribution is determined by the actuary at the end of the year. Actuarial gains and losses are recognized in the Profit and Loss Statement. The Company also recognizes in the Profit and Loss Statement gains or losses on curtailment or settlement of the defined benefit plan as and when the curtailment or settlement occurs.
- 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 Statement. Such liability is not funded and being paid by the Company as and when required.

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1.8 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 Costs. Subsidy receivable on this account is adjusted with expense for the year, in which the claim of the Company for such subsidy gets admitted.

1.9 Revenue Recognition

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

1.10 Sales

Sales represent the invoice/ account sales value of finished goods supplied, inclusive of Central Excise Duty, wherever applicable, net of Sales Tax/Value Added Tax. Proceeds of insurance claims received for damage/shortage of finished goods are treated as part of Sales. Net revenue is stated after deducting such Central Excise Duty.

1.11 Replanting and Other Subsidies

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

Other Subsidies are recognized as income on accrual basis or on receipt of related sanction, when the certainty of receipt of such subsidy gets established.

1.12 Dividend Income

Dividend Income is recognized when the right to receive such dividend is established.

1.13 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.

2. During the year, the Company purchased and acquired (a) Namsang T.E., District Dibrugarh, Assam and (b) Kharikatia T.E., District Jorhat, Assam. The Conveyance Deeds in respect thereof are in the process of execution in the name of the Company.

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3. Segment Information for the year ended 31st March, 2013

1. Business Segments : In terms of AS-17-Segment Reporting, 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

	<u>2012-2013</u>	Rs. in Lakhs <u>2011-2012</u>
2. Revenue		
A. Cultivation, Manufacture and Sale of Tea	9,397.03	7,386.44
B. Aviation Products and Services	1,062.71	997.21
C. Hospitality	53.28	–
D. Unallocated	246.48	16.75
	<u>10,759.50</u>	<u>8,400.40</u>
3. Results		
A. Cultivation, Manufacture and Sale of Tea	2,735.10	2,105.05
B. Aviation Products and Services	24.85	294.05
C. Hospitality	(245.98)	(7.28)
	<u>2,513.97</u>	<u>2,391.94</u>
Less : i) Un-allocated income, net of un-allocated Income	<u>(1,604.93)</u>	55.25
ii) Interest Net of subsidy	217.69	56.17
	<u>3,901.21</u>	<u>2,280.52</u>
4. Segment Assets		
A. Cultivation, Manufacture and Sale of Tea	19,023.30	12,509.94
B. Aviation Products and Services	1,527.90	1,801.92
C. Hospitality	375.67	60.95
D. Unallocated	6,213.99	4,314.03
	<u>27,140.86</u>	<u>18,686.84</u>
5. Segment Liabilities		
A. Cultivation, Manufacture and Sale of Tea	6,968.20	1,686.46
B. Aviation Products and Services	32.64	60.58
C. Hospitality	38.59	–
D. Unallocated	640.67	218.91
	<u>7,680.10</u>	<u>1,965.95</u>
6. Capital Expenditure		
A. Cultivation, Manufacture and Sale of Tea	6,363.08	489.52
B. Aviation Products and Services	126.04	443.45
C. Hospitality	301.13	0.85
D. Unallocated	12.06	8.51
	<u>6,802.31</u>	<u>942.33</u>
7. Depreciation (Net of Adjustment with Revaluation Reserve)		
A. Cultivation, Manufacture and Sale of Tea	226.73	160.95
B. Aviation Products and Services	61.52	34.76
C. Hospitality	18.61	0.03
	<u>306.86</u>	<u>195.74</u>

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4. Related Party Transactions for the year ended 31st March, 2013

The following are the Related Party transaction undertaken by the Company during the year ended 31st March, 2013, in terms of AS-18 - Related Party Disclosures:

Name of the Related Party and nature of relationship :

Enterprises where Control Exists	- CAE Rossell India Ltd. (Formerly Rossell Aviation Pvt. Ltd.) Subsidiary Company (Fully Owned)
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, 2013

Rs. in Lakhs

<u>Nature of transaction</u>	<u>2012-2013</u>	<u>2011-2012</u>
<u>Enterprises where Control Exists</u>		
1. Inter Corporate Deposit		
- Given	-	1.60
- Refunded	1.60	247.10
2. Interest received on Inter Corporate Deposit given	-	3.32
3. Share Application Money		
- Given	-	13.44
- Refunded	13.04	-
4. Investment made in 40,000 Equity Shares of Rs. 10 each	4.00	-
5. Advance given	13.32	-
<u>Key Management Personnel and relatives</u>		
1. Dividend Paid	10.62	9.16
2. Unsecured Loan taken and repaid (Net)		
- Received	680.00	240.00
- Refunded	680.00	271.50
3. Interest paid on Unsecured Loan taken	8.64	5.23
4. Rent for Residential Accommodation	7.20	7.20
5. Remuneration Paid	235.85	145.18
6. Remuneration Paid to Relative	25.91	21.68
<u>Holding Company</u>		
1. Dividend Paid	92.66	92.66
2. Inter Corporate Deposit		
- Received	423.00	643.00
- Refunded	423.00	643.00
3. Inter Corporate Deposit		
- Given	-	93.00
- Refunded	93.00	-
4. Interest paid on Inter Corporate Deposit (Net)	6.76	3.92
<u>Enterprises where significant influence is exercisable</u>		
1. Dividend Paid	1.88	1.88
2. Rent paid for Office Space	6.00	6.00
3. Rent for Residential Accommodation	6.00	6.00
4. Inter Corporate Deposit		
- Received	65.00	32.00
- Refunded	65.00	46.50
5. Interest paid on Inter Corporate Deposit	3.05	1.88
6. Contributions made for charitable purpose	6.00	11.00

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5. The Company has only one subsidiary company as on 31st March, 2013, namely, CAE Rossell India Limited (Extent of interest - 100%).

Accordingly, the Consolidated Financial Statement for the year ended 31st March, 2013 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 15th May, 2013 (a) given their consent for not attaching the annual accounts of the aforesaid subsidiary in respect of their Financial Year 2012-2013 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

6. Defined Benefits Plans

In compliance with AS-15 (Revised) - Employee Benefits, Actuarial Valuations were carried out in respect of Defined Benefit Schemes namely Gratuity and Leave Encashment as on 31st March, 2013. The amounts recognised in the financial statement as on 31st March, 2013 in respect of these Schemes, as per such Actuarial Valuation are as under :

Rs. in Lakhs

	Gratuity - Funded		Leave Encashment - Non Funded	
	2012-2013	2011-2012	2012-2013	2011-2012
I. Components of Employer Expense				
1 Current Service Cost	46.45	39.94	4.89	2.36
2 Interest Cost	59.05	49.57	1.55	1.47
3 Expected Return on Plan Assets	(56.29)	(48.86)	-	-
4 Curtailment Cost/(Credit)	-	-	-	-
5 Settlement Cost/(Credit)	-	-	-	-
6 Past Service Cost	-	-	-	-
7 Actuarial Losses/(Gains)	93.13	65.18	1.96	3.26
8 Total expense to be recognised in the Statement of Profit and Loss Account	142.34	105.83	8.40	7.09
9 Total expense actually recognised in the Statement of Profit and Loss Account	142.34	105.83	8.40	7.09
The Gratuity Expenses have been recognised in "Contribution to Provident and Other Funds" and Leave Encashment in "Salaries, Wages and Bonus" in Note 5 to the Profit and Loss Statement.				
II. Net Asset/(Liability) recognised in Balance Sheet				
1 Present Value of Defined Benefit Obligation	1,163.67	726.12	22.45	22.04
2 Fair Value on Plan Assets	987.90	727.15	-	-
3 Status [Surplus/(Deficit)]	(175.77)	1.03	(22.45)	(22.04)
4 Unrecognised Past Service Cost	-	-	-	-
5 Net Asset/(Liability) to be recognized in Balance Sheet	(175.77)	1.03	(22.45)	(22.04)
6 Net Asset/(Liability) actually recognized in Balance Sheet	(175.07)	-	(22.45)	(22.04)

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III. Change in Defined Benefit Obligations (DBO)					
1	Present Value of DBO at the Beginning of the Year	726.12	671.23	22.04	21.83
2	Current Service Cost	46.45	39.94	4.89	2.36
3	Interest Cost	59.05	49.57	1.55	1.47
4	Curtailment Cost/(Credit)	-	-	-	-
5	Settlement Cost/(Credit)	-	-	-	-
6	Plan Amendments	-	-	-	-
7	Acquisitions	303.76	-	-	-
8	Actuarial (Gains)/Losses	107.17	69.59	1.96	3.26
9	Benefits Paid	(78.88)	(103.18)	(7.99)	(6.88)
10	Present Value of DBO at the End of the Year	1,163.67	727.15	22.45	22.04
IV. Change in Fair Value of Assets					
1	Plan Assets at the Beginning of the Year	727.15	671.60	-	-
2	Acquisition Adjustment	143.54	-	-	-
3	Expected Return on Plant Assets	56.29	48.86	-	-
4	Actuarial Gains/(Losses)	14.04	4.41	-	-
5	Actual Company Contribution Received/ Receivable	125.77	105.46	7.99	6.88
6	Benefits Paid	(78.88)	(103.18)	(7.99)	(6.88)
7	Plan Assets at the End of the Year	987.91	-	-	-
V. Principal Actuarial Assumptions used (common for all valuations)					
1	Discount Rate (%)	8.25	8.60	8.10	8.60
2	Expected Return on Plan Assets (%)	7.50	7.50	7.50	7.50
3	Expected Salary increase rates	5.00	5.00	5.00	5.00
4	Mortality rates	Indian Assured Lives Mortality (2006-2008) (Modified)	LICI (1994-96)	Indian Assured Lives Mortality (2006-2008) (Modified)	LICI (1994-96)
VI. Major Category of Plan Assets as a % of the Total Plan Assets					
1	Government Securities/Special Deposit with RBI	44.93	49.52		
2	PSU Bonds	26.35	28.57		
3	Insurance Companies/ Banks/ Mutual Funds	9.18	11.44		
4	Cash and Cash Equivalents	19.54	10.47		

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.

7. 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, 2013.

8.1 The figures in respect of the current year are not comparable with that for the previous year on account of the following:

- Acquisition of Namsang T. E. as a going concern on and from 18th June, 2012
- Setting up a new Division "Rossell Hospitality" on and from 1st December, 2011 to operate " Kebab Xpress" North India Fast Food Outlets and
- Acquisition of Kharikatia T.E. as a going concern on and from 1st November, 2012

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

H. M. Gupta
Executive Chairman

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

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

Place : Kolkata
Date : 15th May, 2013

C.S.Bedi
Managing Director

Statement Regarding Subsidiary Company

Pursuant to Section 212 of the Companies Act, 1956

CAE Rossell India Limited

- (A) The Financial Year of the Subsidiary Company ended on : 31st March, 2013
- (B) Holding Company's Interest
 (a) Number and face value : 50,000 Equity Shares of Rs.10 each fully paid.
 (b) Extent of holding : 100%
- (C) Net aggregate amount of Subsidiary's Profit (Loss), so far as it concerns Members of the Holding Company and not dealt with in the Holding Company's Accounts :
- i) for the Subsidiary's financial year ended 31st March, 2013 : (Rs. 1.33 lakhs)
 ii) for its previous financial years : (Rs. 6.32 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 : 15th May, 2013

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 Limited

Report on the Consolidated Financial Statements

1. We have audited the attached Consolidated Financial Statements of Rossell India Limited (the "Company") and its Subsidiary, CAE Rossell India Limited (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the Financial Statements of the Subsidiary as noted below, 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 state of affairs of the Group as at March 31, 2013.
 - b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

6. Financial Statement of Subsidiary, CAE Rossell India Limited, which reflect total assets (net) of Rs. 10.72 lakhs as at March 31, 2013, total revenue of Rs. 0.44 lakhs, total expenditure of Rs. 1.78 lakhs and net cash flows amounting to Rs. 9.12 lakhs for the year then ended, have been audited by other auditors whose report has been furnished to us and our opinion is based solely on the report of the other auditors.

Our opinion is not qualified in respect of other matters.

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

R. K. Roy Chaudhury
Partner
Membership No.8816

Place : Kolkata
Date : 15th May, 2013

ROSSELL INDIA LIMITED

Consolidated Balance Sheet as at 31st March, 2013

Rs. in Lakhs

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A	733.93	733.93
(b) Reserves and Surplus	B	<u>18,719.18</u>	<u>15,980.07</u>
		<u>19,453.11</u>	<u>16,714.00</u>
(2) Non-Current Liabilities			
(a) Long-term borrowings	C	4,177.50	-
(b) Deferred tax liability (net)	D	40.00	-
(c) Long term provisions	E	<u>22.45</u>	<u>22.04</u>
		<u>4,239.95</u>	<u>22.04</u>
(3) Current Liabilities			
(a) Short-term borrowings	F	1,197.48	943.41
(b) Trade payables	G	252.49	145.26
(c) Other current liabilities	H	1,725.69	652.17
(d) Short-term provisions	I	<u>264.54</u>	<u>204.63</u>
		<u>3,440.20</u>	<u>1,945.47</u>
Total		<u><u>27,133.26</u></u>	<u><u>18,681.51</u></u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	J	18,004.15	11,656.93
(ii) Intangible assets	J	117.04	71.88
(iii) Capital work-in-progress		39.02	43.97
(b) Non-current investments	K	6,080.39	3,657.24
(c) Deferred tax asset (net)	D	-	13.00
(d) Long term loans and advances	L	<u>762.29</u>	<u>826.14</u>
		<u>25,002.89</u>	<u>16,269.16</u>
(2) Current assets			
(a) Inventories	M	555.30	277.30
(b) Trade receivables	N	701.67	615.63
(c) Cash and cash equivalents	O	399.70	889.74
(d) Short-term loans and advances	P	232.15	288.58
(e) Other current assets	Q	241.55	341.10
Note : Goodwill arising on consolidation - Rs. 250.			
		<u>2,130.37</u>	<u>2,412.35</u>
Total		<u><u>27,133.26</u></u>	<u><u>18,681.51</u></u>
Contingent Liabilities and Commitments			
Dividend Proposed			
Significant Accounting Policies and Other Notes on Financial Statements			
	R		
	S		
	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 : 15th 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, 2013

Particulars	Note No.	Rs. in Lakhs	
		2012-2013	2011-2012
I. Revenue from operations	1	10,593.90	8,283.81
II. Other Income	2	149.24	85.44
III. Total Revenue (I +II)		10,743.14	8,369.25
IV. <u>Expenses</u> :			
Cost of materials consumed	3	89.34	100.71
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	4	(66.98)	127.47
Employee benefit expense	5	4,437.45	3,113.79
Finance costs	6	217.69	56.17
Depreciation and amortization expense	7	306.86	195.74
Other expenses	8	3,216.78	2,428.79
Total Expenses		8,201.14	6,022.67
V. Profit before exceptional items and tax (III - IV)		2,542.00	2,346.58
VI. Exceptional Items	9	1,358.45	(72.00)
VII. Profit before tax (V+VI)		3,900.45	2,274.58
VIII. Tax expense :			
(1) Current tax		820.00	475.00
(2) Deferred tax adjustment		53.00	(65.00)
		873.00	410.00
IX. Profit for the period (VII - VIII)		3,027.45	1,864.58
X. Earning per equity share :			
(1) Basic	10	8.25	5.08
(2) Diluted		8.25	5.08

Notes 1 to 10 referred to above form an integral part of the Profit and Loss Statement.

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 : 15th May, 2013

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ROSSELL INDIA LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2013

	2012-2013	2011-2012
Rs. in Lakhs		
A. Cash Flow from Operating Activities		
Profit before Tax	3,900.45	2,274.58
- Adjustment for :		
Depreciation	306.86	195.74
Finance Cost (Net)	217.69	56.17
Profit/Loss on Disposal of Fixed Assets (Net)	(145.17)	49.68
Provision for diminution in the value of Investments written back	-	(7.24)
Liabilities no more required written back	(4.59)	(3.13)
Loss on Divestment of Subsidiary Company	-	72.00
Net Gain on sale of Investments (including Exceptional Income)	(1,442.81)	(7.00)
	(1,068.02)	356.22
	2,832.43	2,630.80
Items Considered in Investing Activity :		
Interest on Deposits etc.	(53.14)	(69.88)
Dividend	(11.74)	(1.32)
	(64.88)	(71.20)
Operating Profit before Working Capital Changes	2,767.55	2,559.60
- Adjustment for :		
Current Assets including Long Term Loans and Advances	(365.64)	(18.47)
Current Liabilities	713.25	104.59
	347.61	86.12
Cash Generated from Operations	3,115.16	2,645.72
Finance Cost (Net)	(217.69)	(56.17)
Direct Taxes (Net of refund)	(802.74)	(488.79)
	(1,020.43)	(544.96)
Cash Flow before Extraordinary Items	2,094.73	2,100.76
Extraordinary Items	-	-
Net Cash Flow from Operating Activities	2,094.73	2,100.76
B. Cash Flow from Investing Activities :		
Acquisition of Namsang T.E.	(2,852.36)	-
Acquisition of Kharikatia T.E.	(3,104.93)	-
Purchase of Other Fixed Assets including Advances for Capital Assets	(711.63)	(913.02)
Sale of Fixed Assets (Including Subsidy received from Tea Board)	173.15	55.44
Purchase of Investments	(10,063.03)	(373.17)
Sale/Redemption of Investments	9,082.69	68.25
Divestment of Shares held in the Subsidiary Company	-	153.56
Compensation received for acquisition of Land	-	4.87
Interest Received	53.14	69.88
Dividend Received	11.74	1.32
Net Cash Flow from Investing Activities	(7,411.23)	(932.87)

ROSSELL INDIA LIMITED

	2012-2013	Rs. in Lakhs 2011-2012
C. Cash Flow from Financing Activities		
Intercompany Deposits Repaid (Net)	–	(46.00)
Intercompany Deposits Paid / Refunded (Net)	93.00	(93.00)
Proceeds of Term Loan from Banks	4,650.00	–
Proceeds of Working Capital Loan from Bank (Net)	254.06	(359.23)
Dividend Paid and Tax thereon - Dividend 2010-2011	–	(171.17)
- Dividend 2011-2012	(170.60)	–
Net Cash Flow from Financing Activities	4,826.46	(669.40)
Net Increase in Cash and Cash Equivalents (A+B+C)	(490.04)	498.49
Cash and Cash Equivalents as at 31.03.2012		
(Opening Balance)	889.74	391.25
Cash and Cash Equivalents as at 31.03.2013		
(Closing Balance)	399.70	889.74

Note :

The above Statement has been prepared under the Indirect Method as given in Accounting Standard AS-3 Cash Flow Statement.

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 : 15th May, 2013

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, 2013</u>	<u>As at 31st March, 2012</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	230.33	225.46
Add : Compensation received on Sale of Land	<u>—</u>	<u>4.87</u>
	<u>230.33</u>	<u>230.33</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	5,152.49	5,228.92
Less : Withdrawal on account of depreciation on incremental amounts upon revaluation (Note J)	<u>75.09</u>	<u>76.43</u>
	<u>5,077.40</u>	<u>5,152.49</u>
General Reserve		
Balance as per last Account	7,665.02	5,865.02
Add : Transfer from Profit and Loss Account	<u>2,800.00</u>	<u>1,800.00</u>
	<u>10,465.02</u>	<u>7,665.02</u>
Surplus in Profit and Loss Account		
Balance as per last Account	322.68	276.57
Add : Balance as per Profit and Loss Account	<u>3,027.45</u>	<u>1,864.58</u>
	<u>3,350.13</u>	<u>2,141.15</u>
Add: Profit on Disposal of Investment in Subsidiary Company (As per Para 22 of Accounting Standard 21, Consolidated Financial Statement)	<u>—</u>	<u>249.45</u>
	<u>3,350.13</u>	<u>2,390.60</u>
Add : Adjustment for Loss on Divestment of Subsidiary Company shown as Exceptional Item	<u>—</u>	<u>72.00</u>
	<u>3,350.13</u>	<u>2,462.60</u>
Less : Goodwill arising on Consolidation in earlier years adjusted	<u>—</u>	<u>169.32</u>
	<u>3,350.13</u>	<u>2,293.28</u>
Less : Transfer to General Reserve	<u>2,800.00</u>	<u>1,800.00</u>
	<u>550.13</u>	<u>493.28</u>
Less : Dividend	183.48	146.79
Tax on Dividend	<u>29.77</u>	<u>23.81</u>
	<u>336.88</u>	<u>322.68</u>
	<u>18,719.18</u>	<u>15,980.07</u>

ROSSELL INDIA LIMITED

	Rs. in Lakhs	
	As at 31st March, 2013	As at 31st March, 2012
C. LONG-TERM BORROWINGS		
Secured Loans		
Term Loans from Banks	4,177.50	–

Notes :

1. Current Maturities of these loans - Rs. 472.50 (Note H)

2. These loans are secured on pari passu basis by hypothecation of Moveable Assets and Deposit of Title Deeds in respect of Namsang and Kharikatia Tea Estatees of the Company pending creation of Equitable Mortgage, which would be formalized upon receipt of statutory approvals. The loan from one of the Banks is additionally secured by hypothecation of tea crops and book debts in respect of Kharikatia T.E.

3. These loans are repayable in equated quarterly installments up to 6 year period from the date of respective disbursement and will be fully liquidated by the Financial Year 2018-2019.

4. The Company has entered into Cross Currency Swap Transactions and opted to swap these loans from Indian Rupees in to US Dollars. The Contracts for such transactions outstanding as on 31st March, 2013 are as under :

Currency	Cross Currency	Buy (USD in Lakhs)	Sell (Rs. in Lakhs)
Indian Rupee	US Dollar	40.59	2,250.00
Indian Rupee	US Dollar	21.75	1,200.00
Indian Rupee	US Dollar	21.75	1,200.00
		<u>84.09</u>	<u>4,650.00</u>

There is no mark to market loss as on 31st March, 2013.

D. DEFERRED TAX LIABILITY / ASSET (NET)

As per the Accounting Standard AS-22 - Accounting for taxes on Income, an amount of Rs. 13.00 lakhs was recognized as Deferred Tax Asset as on 31st March, 2013. During the year, a review with respect to the carrying amount of Deferred Tax Asset was done and the same was reversed with provision of Deferred Tax Liability of Rs. 40.00 lakhs as on 31st March, 2013. Thus, an amount of Rs. 53.00 lakhs has been shown as Deferred Taxation Adjustment in the Profit and Loss Account for the year ended 31st March, 2013. The components of Deferred Tax Asset / Liability are as under :

Deferred Tax Liability		
Depreciation as per Books and Tax Laws	40.00	–
Deferred Tax Asset		
Depreciation as per Books and Tax Laws	–	13.00
	<u>40.00</u>	<u>13.00</u>
E. LONG TERM PROVISIONS		
Provision for employee benefits	22.45	22.04

ROSSELL INDIA LIMITED

	As at 31st March, 2013	Rs. in Lakhs As at 31st March, 2012
F. SHORT TERM BORROWINGS		
Secured Loans		
Loans repayable on demand from Banks	<u>1,197.48</u>	<u>943.41</u>
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, save and except that of newly acquired Namsang and Kharikatia Tea Estates and collaterally secured on pari passu basis by Equitable Mortgages of Dikom, Nokhroy, Bokakhat and Romai Tea Estates of the Company.		
G. TRADE PAYABLES		
Sundry Creditors	<u>252.49</u>	<u>145.26</u>
H. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings	472.50	–
Interest accrued but not due on borrowings	38.08	3.11
Unpaid Dividends	7.16	5.22
Other Payables		
For Expenses etc.	954.31	601.35
Statutory Dues	78.57	42.49
Due to Gratuity Fund	175.07	–
	<u>1,725.69</u>	<u>652.17</u>
I. SHORT TERM PROVISIONS		
Provision for Taxation (Net)	51.29	34.03
Proposed Dividend	183.48	146.79
Tax on Dividend	29.77	23.81
	<u>264.54</u>	<u>204.63</u>

ROSSELL INDIA LIMITED

Rs. in lakhs

Particulars	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTIZATION			NET BLOCK		
	Gross Carrying Amount as at the beginning of the year	Additions during the Year	Disposal/ Adjustments during the Year	Gross Carrying Amount as at the end of the Year	Accumulated depreciation at the beginning of the year	Depreciation provided for the year	On disposal during the Year	Accumulated depreciation at the end of the year	Net Carrying Amount as at the end of the year	Net Carrying Amount as at the beginning of the year
Land and Planted Teas	6,690.96	4,652.89	-	11,343.85	-	-	-	-	11,343.85	6,690.96
Buildings	3,101.07	677.20	-	3,778.27	404.67	70.12	-	474.79	3,303.48	2,696.40
Leasehold Improvement	-	64.58	-	64.58	-	7.18	-	7.18	57.40	-
Plant and Equipment	2,529.37	886.55	23.53	3,392.39	994.48	169.23	-	1,163.71	2,228.68	1,534.89
Furniture and Fixtures	341.73	146.34	3.84	484.23	77.11	33.40	3.84	106.67	377.56	264.62
Vehicles	519.91	254.44	18.45	755.90	205.84	61.76	14.31	253.29	502.61	314.07
Office Equipments	133.74	35.38	0.54	168.58	31.49	7.77	0.23	39.03	129.55	102.25
Computers	100.06	21.69	-	121.75	46.32	14.41	-	60.73	61.02	53.74
31st March, 2013	13,416.84	6,739.07	46.36	20,109.55	1,759.91	363.87	18.38	2,105.40	18,004.15	11,656.93
31st March, 2012	12,665.22	884.14	132.51	13,416.85	1,522.10	265.22	27.40	1,759.92	11,656.93	

ii) INTANGIBLE ASSETS	
Computer Software	81.07
Branding and Trade mark	-
31st March, 2013	81.07
31st March, 2012	22.88

ROSSELL INDIA LIMITED

	As at 31st March, 2013	Rs. in Lakhs As at 31st March, 2012
K. NON-CURRENT INVESTMENT		
At Cost		
Trade Investments: Unquoted		
In Equity Instruments	125.05	3,072.55
In Preference Shares	988.75	528.83
Other Investments : Unquoted		
In Units and Bonds	4,957.75	36.75
Other Investments : Quoted		
In Equity Instruments	8.84	19.11
	6,080.39	3,657.24
Aggregate amount of Quoted Investmentst	8.84	19.11
Aggregate amount of Unquoted Investmentst	6,076.55	3,638.13
	6,080.39	3,657.24
Market Value of Quoted Investments	1.26	9.40
	1.26	9.40
L. LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	109.11	237.55
Advance due by an Officer	9.37	-
Security Deposits	189.24	114.11
Other Deposits	12.67	0.20
Deposit with NABARD	166.96	210.57
Deposit with Assam Financial Corporation	274.94	263.71
	762.29	826.14
M. INVENTORIES		
Stock of Tea at lower of cost and net realisable value	108.74	41.76
Stock of Stores and Spares at or under cost	402.97	206.58
Stock of Raw Materials at cost	29.59	14.96
Work-in-progress at works cost	14.00	14.00
	555.30	277.30
N. TRADE RECEIVABLES		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	61.71	264.09
Other Debts	639.96	351.54
	701.67	615.63
O. CASH AND CASH EQUIVALENTS		
Balances with Banks	376.30	146.37
Margin Money Account	0.30	21.29
Bank Deposits for less than 12 months maturity*	1.00	709.00
Unpaid Dividend Accounts	7.16	5.22
Cash on Hand	14.94	7.86
	399.70	889.74

* Under Lien with Delhi VAT authorities as Security Deposit - Rs. 1 lakh.

ROSSELL INDIA LIMITED

	As at 31st March, 2013	Rs. in Lakhs As at 31st March, 2012
P. SHORT TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Deposits		
Loans and Advances to Related Parties		
Holding Company	–	93.00
Other Loans and Advances		
Advance due by an Officer	3.75	–
Advances recoverable in Cash or in Kind or for value to be received	228.40	195.58
	232.15	288.58
Q. OTHER CURRENT ASSETS		
Interest Accrued on Deposits	23.19	50.93
Other Receivables	218.36	290.17
	241.55	341.10
R. CONTINGENT LIABILITIES AND COMMITMENTS		
(i) Estimated amount of Contingent Liabilities not provided for		
a. Claims against the Company not acknowledged as Debt		
Income Tax	210.63	70.65
Land Revenue, Local Rates and Surcharge for Bokakhat T.E.	–	18.49
b. Bank Guarantees outstanding	3.25	204.63
(ii) Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance)	170.31	477.89
S. DIVIDEND PROPOSED		
Amount of Dividend proposed to be distributed to Equity Shareholders for the Financial Year 2012-2013	183.48	146.79
Dividend per Equity Share of Rs. 2 each	Rs. 0.50	Rs. 0.40
% of Dividend proposed	25.00	20.00

Place : Kolkata Date : 15th May, 2013	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)</i> <i>-cum-Company Secretary</i>
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ROSSELL INDIA LIMITED

Notes to the Consolidated Profit and Loss Account

	Rs. in Lakhs	
	2012-2013	2011-2012
1. REVENUE FROM OPERATIONS	2012-2013	2011-2012
(a) Sale of Products		
Black Tea	9,057.89	7,037.51
Avionics, Aviation and Electronic Equipments	30.48	137.87
Food and Beverage	53.28	–
	9,141.65	7,175.38
(b) Sale of Services		
Receipts for Technical and Support Services	1,019.63	808.05
(c) Other Operating Revenues		
Subsidy - Replanting	19.54	63.01
Tea Board Orthodox Subsidy Scheme	95.13	93.04
Sale of Duty Credit Entitlements Licence	122.55	117.26
Duty Drawback	26.05	11.77
Sundry Receipts	22.33	25.36
Profit on Sale of Fixed Assets	145.17	–
Liabilities no more required written back	4.59	3.13
	435.36	313.57
Total	10,596.64	8,297.00
Less : Excise Duty	2.74	13.19
	10,593.90	8,283.81
2. OTHER INCOME		
Interest Income	53.14	69.88
Dividend Income	11.74	1.32
Net Gain on Sale of Investments	84.36	7.00
Provision for diminution in the value for Investments written back	–	7.24
	149.24	85.44
3. COST OF MATERIALS CONSUMED		
Purchase of Green Leaf	34.58	33.41
Consumption of Raw Materials	54.76	67.30
	89.34	100.71
4. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock Of Tea	41.76	157.65
Less : Closing Stock Of Tea	108.74	41.76
	(66.98)	115.89
Opening Stock Of Work-in-Progress	14.00	25.58
Less : Closing Stock Of Work-in-Progress	14.00	14.00
	–	11.58
	(66.98)	127.47

ROSSELL INDIA LIMITED

	Rs. in Lakhs	
	2012-2013	2011-2012
5. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	3,625.36	2,475.95
Contribution to Provident and other Funds	472.08	356.73
Workmen and Staff Welfare	340.01	281.11
	<u>4,437.45</u>	<u>3,113.79</u>
6. FINANCE COST		
(a) Interest		
Banks	224.50	80.84
Intercompany Deposits	11.08	5.79
Unsecured Loan from Managing Director (Executive Chairman)	8.64	5.23
	<u>244.22</u>	<u>91.86</u>
Less: Interest Subsidy	27.65	35.97
	<u>216.57</u>	<u>55.89</u>
(b) Other Borrowing Costs	1.12	0.28
	<u>217.69</u>	<u>56.17</u>
7. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	381.95	272.17
Less: Depreciation on amounts added on revaluation	75.09	76.43
	<u>306.86</u>	<u>195.74</u>
8. OTHER EXPENSES		
Consumption of Stores and Spare Parts	623.02	519.80
Power and Fuel	733.02	515.44
Cess on Green Leaf	74.76	68.34
Tea Cess	23.15	20.11
Rent	179.61	74.73
Rates and Taxes	26.67	25.27
Repairs to Building	127.13	80.79
Repairs to Machinery	159.67	119.43
Other Repairs and Maintenance	43.91	17.64
Vehicles Maintenance	109.59	81.05
Transportation	151.43	130.05
Shipment Charges	61.19	59.22
Warehousing and Selling Expenses	159.40	121.92
Post Sales Warranty Expenses	4.88	-
Brokerage	59.46	46.09
Commission on Sales	59.77	49.81
Insurance	27.42	20.60
Directors' Fee & Commission	15.35	6.38
Auditors' Remuneration	5.80	4.80
Travelling and Conveyance	161.30	90.72
Miscellaneous Expenses	402.38	317.80
Net loss on Foreign Currency transactions/ translation	0.30	9.12
Loss on Disposal of Fixed Asset (Net)	-	49.68
Excise Duty for earlier years	7.57	-
	<u>3,216.78</u>	<u>2,428.79</u>

ROSSELL INDIA LIMITED

	Rs. in Lakhs	
	<u>2012-2013</u>	<u>2011-2012</u>
9. EXCEPTIONAL ITEMS		
(Loss) on Divestment of Subsidiary Company	–	72.00
Net Gain on Sale of Investments	<u>1,358.45</u>	<u>–</u>

Note :

The Company has divested on 29th April, 2012 its entire shareholding in Companies owning Hotels. The Profit 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	3,027.45	1,864.57
Weighted average number of Equity Shares outstanding	366.96	366.96
Earnings per Equity Share of Rs. 2 each (Rs.)	<u>8.25</u>	<u>5.08</u>

Place : Kolkata
Date : 15th May, 2013

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

T. Significant Accounting Policies and other Notes to the Consolidated Financial Statements for the year ended 31st March, 2013

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, CAE Rossell India Limited (earlier known as 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, 2013
- b) Audited Accounts of the Subsidiary for the year ended 31st March, 2013
- 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.

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

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

Rossell India Limited (The Parent Company) is having only one Subsidiary, namely, CAE Rossell India 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% (Fully Owned Subsidiary). Hence, there is no Minority Interest in the Consolidated financial statements.

4. Changes in Consolidation Process as compared to 2011-2012

The Consolidated Financial Statements have been prepared on the same basis as that adopted in respect of the accounting year 2011-2012 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 Subsidiary and accordingly for preparing these Consolidated Financial Statements:

5.1 Accounting Convention

The Financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended and the relevant provisions of the Companies Act, 1956.

5.2 Basis of Accounting

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

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956.

5.3 Fixed Assets

Fixed Assets, both tangible and intangible, 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.

Leasehold Improvement for the premises taken on rent is atomized over the period of the lease.

Expenses incurred for development of Brand and Trademark are capitalized to be amortized over a period of 5 years.

Computer Software is capitalized where it is expected to provide future enduring economic benefit. The capitalization costs include license fee and cost of implementation and system integration services.

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

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.

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 Statement as prescribed by Accounting Standard-11, Accounting for the Effect of Changes in Foreign Exchange Rates.

While the mark to market losses on the outstanding portfolio of Currency Swap is recognized in the Profit and Loss Statement, the net gain on such portfolio is ignored.

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.

Income from Investments and Gain/ Loss on sale of investments are recognized in the Profit and Loss Statement for the year on accrual basis inclusive of related tax deduction at source.

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 and Work-in-progress have been valued at respective cost.

5.7 Staff Benefits

- a) From 1st May, 2012 onwards, the Parent Company has made regular contribution to the Provident Funds, administered by the Governments and independent of Company's finances, in respect of all its eligible employees. Till 30th April, 2012, Provident Fund Contribution in respect of certain classes of employees was made to self managed recognized Provident Fund, which is being liquidated after making transfer of its entire corpus to Provident Fund administered by the Government. The Parent Company also operates Defined Contribution Scheme for payment of Pension to certain classes of employees. Monthly contribution at 15% of the employees' current salary is made to recognized

ROSSELL INDIA LIMITED

Superannuation Fund, which is fully funded and administered by Trustees and is independent of Parent Company's finance. Contributions are recognized in Profit and Loss Statement on an accrual basis.

- b) Defined Benefit Gratuity Plan is also maintained by the Parent Company. The Company contributes to the recognized Gratuity Fund, which is administered by the Trustees and is independent of Company's finance. The Annual Contribution is determined by the actuary at the end of the year. Actuarial gains and losses are recognized in the Profit and Loss Statement. The Company also recognizes in the Profit and Loss Statement gains or losses on curtailment or settlement of the defined benefit plan as and when the curtailment or settlement occurs.
- 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 Statement. Such liability is not funded and being paid by the Company as and when required.

5.8 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 capitalized as part of the cost of that asset as prescribed by Accounting Standard-16, Borrowing Costs. 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 Revenue Recognition

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

5.10 Sales

Sales represent the invoice/ account sales value of finished goods supplied, inclusive of Central Excise Duty, wherever applicable, net of Sales Tax/Value Added Tax. Proceeds of insurance claims received for damage/shortage of finished goods are treated as part of Sales. Net revenue is stated after deducting such Central Excise Duty.

5.11 Replanting and Other Subsidies

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

Other Subsidies are recognized as income on accrual basis or on receipt of related sanction, when the certainty of receipt of such subsidy gets established.

5.12 Dividend Income

Dividend Income is recognized when the right to receive such dividend is established.

5.13 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.

ROSSELL INDIA LIMITED

6. Segment Information for the year ended 31st March, 2013

1. **Business Segments** : In terms of AS-17-Segment Reporting, 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>2012-2013</u>	<u>Rs. in Lakhs</u> <u>2011-2012</u>
2. Revenue		
A. Cultivation, Manufacture and Sale of Tea	9,397.03	7,386.44
B. Aviation Products and Services	1,063.15	997.40
C. Hospitality	53.28	-
D. Unallocated	246.48	16.75
	<u>10,759.94</u>	<u>8,400.59</u>
3. Results		
A. Cultivation, Manufacture and Sale of Tea	2,735.10	2,105.05
B. Aviation Products and Services	24.09	288.23
C. Hospitality	(245.98)	(7.28)
	<u>2,513.21</u>	<u>2,386.00</u>
Less : i) Un-allocated income, net of un-allocated Income	(1,604.93)	55.25
ii) Interest Net of subsidy	217.69	56.17
	<u>3,900.45</u>	<u>2,274.58</u>
4. Segment Assets		
A. Cultivation, Manufacture and Sale of Tea	19,009.98	12,508.34
B. Aviation Products and Services	1,538.62	1,812.63
C. Hospitality	375.67	60.95
D. Unallocated	6,208.99	4,299.59
	<u>27,133.26</u>	<u>18,681.51</u>
5. Segment Liabilities		
A. Cultivation, Manufacture and Sale of Tea	6,968.20	1,686.46
B. Aviation Products and Services	32.69	62.14
C. Hospitality	38.59	-
D. Unallocated	640.67	218.91
	<u>7,680.15</u>	<u>1,967.51</u>
6. Capital Expenditure		
A. Cultivation, Manufacture and Sale of Tea	6,363.08	489.52
B. Aviation Products and Services	126.04	443.45
C. Hospitality	301.13	0.85
D. Unallocated	12.06	8.51
	<u>6,802.31</u>	<u>942.33</u>
7. Depreciation (Net of Adjustment with Revaluation Reserve)		
A. Cultivation, Manufacture and Sale of Tea	226.73	160.95
B. Aviation Products and Services	61.52	34.76
C. Hospitality	18.61	0.03
	<u>306.86</u>	<u>195.74</u>

ROSSELL INDIA LIMITED

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

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

Particulars of transactions during the year ended 31st March, 2013

Nature of Transaction :-	Rs. in Lakhs	
<u>Key Management Personnel and relatives</u>	<u>2012-2013</u>	<u>2011-2012</u>
1. Dividend Paid	10.62	9.16
2. Unsecured Loan taken and repaid (Net)		
- Received	680.00	240.00
- Refunded	680.00	271.50
3. Interest paid on Unsecured Loans taken	8.64	5.23
4. Rent for Residential Accommodation	7.20	7.20
5. Remuneration Paid	235.85	145.18
6. Remuneration Paid to Relative	25.91	21.68
<u>Holding Company</u>		
1. Dividend Paid	92.66	92.66
2. Inter Corporate Deposit		
- Received	423.00	643.00
- Refunded	423.00	643.00
3. Inter Corporate Deposit		
- Given	-	93.00
- Refunded	93.00	-
4. Interest paid on Inter Corporate Deposit (Net)	6.76	3.92
<u>Enterprises where significant influence is Exercisable</u>		
1. Dividend Paid	1.88	1.88
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	65.00	32.00
- Refunded	65.00	46.50
5. Interest paid / payable on Inter Corporate Deposit	3.05	1.88
6. Contributions made for charitable purpose	6.00	11.00

ROSSELL INDIA LIMITED

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, 2013 is given below :

Rs. in Lakhs

	CAE Rossell India Limited
Capital	5.00
Reserves	(7.65)
Total Assets	10.72
Total liabilities	13.37
Investment	-
Other Income	0.44
Profit before Taxation	(1.33)
Provision for Taxation	-
Profit after Taxation	(1.33)
Proposed Dividend	-

10. Previous year's figures have been rearranged whenever 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)</i> <i>-cum-Company Secretary</i>
Place : Kolkata	C.S.Bedi <i>Managing Director</i>		
Date : 15th May, 2013			

ROSSELL INDIA LIMITED

STATEMENT OF APPROXIMATE AREA, CROP AND YIELD

TEA ESTATES	Tea Bearing Area in Hectares	Crop (Kgs.) 2012-2013	Yield per Bearing Hectare
DIKOM	614	12,02,550	1,959
NOKHROY	323	6,21,537	1,925
NAGRIJULI	582	9,63,937	1,656
BOKAKHAT	289	4,56,847	1,581
ROMAI	299	6,03,723	2,019
TOTAL	2,107	38,48,594	1,827
NAMSANG*	305	4,67,548	N.A.
KHARIKATIA**	448	1,26,490	N.A.
GRAND TOTAL	2,860	44,42,632	

* acquired on and from 18th June, 2012

** acquired on and from 1st November, 2012

ROSSELL INDIA LIMITED

5 Years' - At a Glance

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2011-2013</u>
Quantitative Information					Lakh Kgs.
Black Tea					
Saleable production	41.67	42.89	40.03	39.93	43.54
Sales	41.85	42.63	39.65	41.02	43.09
Financial Performance					Rs. in Lakhs
Turnover - Black Tea	5,363.52	6,807.17	6,757.36	7,037.51	9,057.89
- Others	388.26	839.24	835.89	945.92	1,103.39
Total Turnover	5,751.78	7,646.41	7,593.25	7,983.43	10,161.28
Other Income	209.54	220.65	285.72	398.82	584.16
Total Revenue	5,961.32	7,867.06	7,878.97	8,382.25	10,745.44
Expenses	4,608.50	4,976.69	5,143.82	5,777.82	7,678.13
Profit before Depreciation and Interest	1,352.82	2,890.37	2,735.15	2,604.43	3,067.31
Interest	209.54	227.11	138.34	56.17	217.69
Profit before Depreciation	1,143.28	2,663.26	2,596.81	2,548.26	2,849.62
Depreciation	136.61	164.17	180.10	195.74	306.86
Profit before Exceptional Item	1,006.67	2,499.09	2,416.71	2,352.52	2,542.76
Exceptional Item	-	-	-	(72.00)	1,358.45
Profit Before Tax	1,006.67	2,499.09	2,416.71	2,280.52	3,901.21
Current Tax	197.50	500.00	485.00	475.00	820.00
Deferred Tax Adjustment	113.00	68.00	5.00	(65.00)	53.00
Profit After Tax	696.17	1,931.09	1,926.71	1,870.52	3,028.21
Earning per Share of Rs. 2 each (Rs.)	1.90	5.26	5.25	5.10	8.25
Dividend per Share of Rs. 2 each (Rs.)	0.30	0.40	0.40	0.40	0.50

