

ROSSELL TEA LIMITED

BOARD OF DIRECTORS

H. M. Gupta, Executive Chairman
Dr. S. S. Bajjal, Director
H. M. Parekh, Director
P. L. Agarwal, Director
R. N. Deogun, Director
V. P. Agarwal, Director
C. S. Bedi, Managing Director

VICE PRESIDENT (FINANCE) -CUM-COMPANY SECRETARY

N. K. Khurana

AUDITORS

S. S. Kothari & Co.

BANKER

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

REGISTERED OFFICE

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

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ROSSELL TEA LIMITED

Notice to the Members

Notice is hereby given that the Fifteenth Annual General Meeting of Rossell Tea Limited, will be held on **Friday, the 31st July, 2009** at **4.00 P.M.** at **Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017**, to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2009 and Reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares for the year ended 31st March, 2009.
3. To appoint a Director in place of Mr. H. M. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

5.1 As a Special Resolution:

“RESOLVED THAT pursuant to provisions of sections 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956 (the Act), the Company do re-appoint, Mr. H. M. Gupta, Managing Director designated as Executive Chairman for a further period of 3 (three) years from 1st May, 2009 to 30th April, 2012, on the terms and conditions, including remuneration effective from the date of his re-appointment as recommended by the Remuneration Committee, in accordance with Schedule XIII Part II Section II Clause 1 (B) of the Act and accepted by the Board as detailed here-in-below:

1. Salary:

Rs.1,35,000 only per month in the range of Rs.1,35,000 – 2,50,000. Future increments to Mr. Gupta during his tenure shall be merit based and at the discretion of the Board within the aforesaid range.

2. Perquisites and Allowances:

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

- i) **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 salary. In case no accommodation is provided, House Rent Allowance up to 50% of salary shall be payable to Mr. Gupta.
- ii) **Servants:** Provision of servants not exceeding three in numbers.
- iii) **Medical:** Reimbursement of expenses incurred for self and family, subject to a ceiling of one month's salary in one year or three months' salary over a period of three years.

However, the following Perquisites shall not be included in the aforesaid ceiling for Perquisites and Allowances:

- a) **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.

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b) **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.

c) **Encashment of leave** at the end of the tenure.

Provision of Car for use on Company's business, **telephones** at residence and **mobile telephones** 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.

3. **Commission:**

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

4. **Minimum Remuneration:**

In the event of loss or inadequacy of profit in any Financial Year during the tenure of Mr. Gupta, the above Salary, Perquisites and Allowances shall be payable to Mr. Gupta as Minimum Remuneration.

5. **Overall Remuneration:**

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

6. **Option to draw Remuneration:**

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

7. **Earned Leave:**

Mr. Gupta shall be entitled to leave or encashment thereof according to the Rules applicable to its managerial personnel.

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

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

9. **Duties:**

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

5.2 **As a Special Resolution:**

"RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003, consent of the

ROSSELL TEA LIMITED

Company be and is hereby accorded, subject to approval of the Central Government, for increase in remuneration payable to Mr. Rishab Mohan Gupta, General Manager (Projects) as may be decided by the Board of Directors from time to time with effect from 1st August, 2009 within the following limits:

1. Salary

Rs.1,00,000 only per month in the range of Rs.1,00,000 – 2,00,000. Future increments to Mr. Gupta during his tenure shall be merit based and at the discretion of the Board within the aforesaid range.

2. Perquisites and Allowances

- a) **Contribution to Provident, Superannuation and Gratuity Funds:** As per Rules of the Company.
- b) **Medical:** Reimbursement of expenses, subject to a ceiling of one month's salary per annum.
- c) **Leave Travel Allowance:** Once in the year in accordance with the Rules of the Company.
- d) **Earned Leave:** As per Rules of the Company. Leave accumulated and not availed may be allowed to be encashed as per Rules in this regard.
- e) **Provision for Car** for use on Company's business, **telephone** at residence and provision of a **mobile telephone** will not be considered as perquisites.

5.3 As an Ordinary Resolution:

"RESOLVED THAT a notice in writing under Section 257 of the Companies Act, 1956 having been received from a Member signifying his intention to propose Mr. V. P. Agarwal for appointment as a Director, Mr. V. P. Agarwal be and is hereby appointed as Director of the Company."

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

Place : Kolkata
Date : 11th June, 2009

By Order of the Board

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

NOTES :

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on a Poll on his/her behalf. A Proxy need not be a Member of the Company. However, proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Annual General Meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th July, 2009 to 31st July, 2009 (both days inclusive) for the purpose of this Annual General Meeting.
3. 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.
4. Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
5. Members are requested to

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- (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.
6. Members are requested to contact the Company's following Registrars and Share Transfer Agents for all their queries, transfer requests, conversion from physical form to dematerialised form or any other matter relating to their shareholding in the Company.

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

7. Dematerialisation of the Equity Shares of the Company

The Equity Shares of the Company are available under DEMAT mode and can be held in electronic form with any Depository Participant (DP) with whom the Members/ Investors have their Depository Account. The Members / Investors may contact the Registrars & 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.

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

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

Place : Kolkata
Date : 11th June, 2009

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 Fifteenth Annual General Meeting to be held on Friday, 31st July, 2009.

Items No. 5.1

The existing terms of appointment of Mr. H. M. Gupta (Mr. Gupta), Executive Chairman expired on 30th April, 2009. Accordingly, pursuant to Article 159 of the Articles of Association of the Company, the Board of Directors, in their Meeting held on 30th April, 2009 re-appointed Mr. Gupta for a further period of 3 years with effect from 1st May, 2009, 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 30th April, 2009 and accepted by the Board of Directors, as embodied in the resolution.

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

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

Items No. 5.2

The Board of Directors in their Meeting held on 13th December, 2007 appointed Mr. Rishab Mohan Gupta, son of Mr. Harsh Mohan Gupta, Executive Chairman, in the Management Cadre as Manager (Projects) with effect from 1st January, 2008 for the Aerotech Services Division of the Company at a remuneration which in the aggregate should not exceed Rs. 50,000 per month. Consent of the Members was obtained by way of a Special Resolution for his appointment and the remuneration payable to him in terms of Section 314 of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003 in the Annual General Meeting held on 28th July, 2008.

Mr. Rishab Mohan Gupta has been looking after the operations of the Aerotech Services as well as the Vankesh Avionics Technologies Divisions of the Company and his performance is found to be satisfactory. In view of this, the Directors have promoted him to the position of General Manager (Projects) and propose to increase his remuneration to commensurate with the responsibilities assigned to him and also to bring the same at par with other Management Staff in the similar cadre in the Company.

Mr. Rishab Mohan Gupta is 22 years old and did his education from Suffolk University, Boston, USA. With his academic background, business acumen and experience being acquired by him, his association will be beneficial to the Company. The Directors, thereafter, recommend adoption of the proposed special resolution for seeking your consent to increase the remuneration payable to him.

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

Items No. 5.3

At the Meeting of the Board of Directors held on 12th May, 2009, Mr. V. P. Agarwal has been appointed, in terms of Article 137 of the Articles of Association of the Company, an Additional Director pursuant to Section 260 of the Companies Act, 1956 to hold office only upto the date of this Annual General Meeting.

A Notice under section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose the appointment of Mr. V. P. Agarwal as a Director of the Company.

With this professional knowledge and expertise in Corporate Affairs and Management, the Company would be considerably benefited. The Directors therefore, recommend adoption of the proposed resolution.

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

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

Place : Kolkata
Date : 11th June, 2009

By Order of the Board

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

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

I. General Information:

(1) Nature of Industry

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

- (a) Rossell Tea Division: Cultivation, Manufacture and Sale of Black Tea.
- (b) Aerotech Services Division: Technical and Support Services.
- (c) Vankesh Avionics Technology Division: Design and Development of Avionics Equipments.

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

The Company is an existing Company and owns 5 Tea Estates in the State of Assam. The Aerotech Services Division and Vankesh Avionics Division commenced business activities on and from 1st April, 2006 and 1st October, 2008 respectively.

(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.

(4) Financial performance based on given indicators

	2008-2009	(Rs. in lacs) 2007-2008
Total Turnover	<u>5,751.78</u>	<u>5,320.18</u>
Operating Profit before		
Interest and depreciation	1,542.30	1,472.46
Less: Interest	<u>209.54</u>	<u>111.54</u>
Profit before Depreciation	1,332.76	1,360.92
Depreciation	<u>136.61</u>	<u>136.50</u>
Profit before Exceptional Items	1,196.15	1,224.42
Exceptional Items	<u>(189.48)</u>	<u>1,250.58</u>
Profit before Taxation	<u>1,006.67</u>	<u>2,475.00</u>

(5) Export performance and net foreign exchange earnings

Export Turnover	<u>1,085.01</u>	<u>1,091.25</u>
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(6) Foreign Investments and Collaborators, if any

During the year, the Company has invested Rs. 3,355 in Foreign Currency to acquire 100 Equity Shares of Singapore Dollar 1 each, fully paid up in RV Enterprizes Pte. Ltd., Singapore.

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While 1.50% of the Company's Equity Share Capital is held by Overseas Corporate Body, 13.97% of the Company's Equity Share Capital is held by Foreign Institutional Investors.

II. Information about the appointees

(1) Background details

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

(2) Past Remuneration

Mr. Gupta was paid the remuneration in terms of the resolution passed by the Members of the Company in the Annual General Meeting held on 27th July, 2006. The remuneration for the year 2006-2007, 2007-2008 and 2008-2009 as the Executive Chairman was Rs. 15.26 lacs, Rs.44.54 lacs and Rs. 30.46 lacs respectively.

(3) Recognition or Awards

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

(4) Job Profile and Suitability

As the Managing Director, Mr. Gupta has been in overall control of the entire operations of the Company since the last 13 years. He has been leading the Board of Directors of the Company in his capacity as Chairman. Having regard to his vast experience and insight into the Company, with comprehensive knowledge in both Tea and Aviation Industry, Mr. Gupta is perfectly suited for re-appointment as Executive Chairman of the Company.

(5) Remuneration Proposed

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

(6) Comparative remuneration Profile with respect to Industry

Name of the Company	Designation	Total Remuneration Rs. in lacs	Year
Goodricke Group Ltd.	Managing Director	58.77	2008
Dhunseri Tea & Industries Ltd.	Managing Director	26.51	2008-2009
Warren Tea Ltd.	Executive Chairman	25.34	2007-2008

(7) Pecuniary Relationship

Except for the remuneration in consideration of his services rendered to the Company, Mr. Gupta has no pecuniary relationship with the Company. However, Mr. Gupta has provided certain sums to the Company, by way of Unsecured Loan repayable on demand, on which he is being paid interest at a rate below the prevailing market rate of interest.

III. Other Information

(1) Reasons of Loss or inadequate Profit

The profit of the Company for the year ended 31st March, 2009 is considered to be adequate keeping in view the profitability of other Tea Companies as well as the performance of Aerotech Services Division of the Company. However the profit for the year is net of a loss of Rs 55.12 lacs incurred by Vankesh Avionics Technologies Division during the inception period from 1st October, 2008 to 31st March, 2009. This is considered to be satisfactory keeping in view the gestation period required for this line of business.

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

The Company continues to work on quality upgradation of its production. The improvement in quality

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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."

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

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

Disclosures

(1) Information on the Remuneration Package of Managing Director

A circular dated 15th May, 2009 containing the abstract of the terms of appointment of Managing Director designated as Executive Chairman and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956 was already sent to all the Members on 21st May, 2009. Further, the details 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.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT AT THE FORTH-COMING FIFTEENTH ANNUAL GENERAL MEETING

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

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Report of the Board of Directors for the year ended 31st March, 2009

Your Directors have pleasure in presenting their Fifteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	Year ended 31.03.2009 Rs. in Lacs	Year ended 31.03.2008 Rs. in Lacs
Profit before Interest and Depreciation	1,542.29	1,472.46
Less : Interest (Net of subsidy)	209.53	111.54
Profit before Depreciation	1,332.76	1,360.92
Less : Depreciation	136.61	136.50
Profit before Exceptional Items	1,196.15	1,224.42
Add /(Less) : Profit / (Loss) on Sale of Investments (Net)	(79.67)	13.67
Unrealized (Loss) / Gain on Exchange	(109.80)	38.90
Profit on Sale of Property	–	1,198.01
Profit before Taxation	1,006.68	2,475.00
Less : Fringe Benefit Tax	12.50	9.00
Provision for Current Taxation	185.00	205.00
Deferred Taxation adjustment	113.00	163.00
Profit after Taxation	696.18	2,098.00
Balance Brought Forward	356.76	(610.00)
Transfer from Exchange Rate Variation Reserve	90.61	–
Profit available for Appropriation	1,143.55	1,488.00
Appropriated as under:		
Exchange Rate Variation Reserve	–	38.90
General Reserve	800.00	1,000.00
Dividend on Equity Shares @ 15% (2008-12.50%)	110.09	78.93
Tax on Dividend	18.71	13.41
Balance Carried Forward	214.75	356.76
	1,143.55	1,488.00

DIVIDEND

Your Directors are pleased to recommend to the Members, for their approval, a dividend of Rs.1.50 per Equity Share of Rs.10 each in the Company for the year ended 31st March, 2009.

ISSUE AND ALLOTMENT OF SHARES ON PREFERENTIAL ALLOTMENT BASIS

Your Directors are pleased to advise that in terms of your consent obtained in the Annual General Meeting held on 28th July, 2008, 10,25,000 Equity Shares of Rs.10 each in the Company were issued and allotted on Preferential Allotment Basis to Foreign Institutional Investors (FIIs) at a price of Rs.100 per Equity Share, after obtaining the requisite approval from the Foreign Investment Promotion Board (FIPB), Government of India. The proceeds of the issue amounting to Rs.1,025 lacs have been fully utilized for financing its ongoing Projects viz. investment in

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the Equity Shares of SPVs formed for the purpose of acquiring various Hotels in India.

TURNOVER

The gross turnover of your Company, including the receipts for technical and support services for Aerotech Services Division was Rs.5,751.78 lac for the current year as against Rs.5,320.18 lac in the previous year. This also includes the turnover of Vankesh Avionics Technologies Division amounting to Rs.16.44 lac for the period from 1st October, 2008 to 31st March, 2009.

Own crop during the year was 41.52 lac kgs. against 42.68 lac kgs. of the previous year. The total crop inclusive of bought leaf production was 41.67 lac kgs. as against 44.39 lac kgs. This was due to a conscious decision to reduce bought leaf production and focus on the quality of our own production. The lower production of own crop was largely due to the hailstorm which struck Nagrijuli T.E. in early 2008 and the severe drought which was experienced between December, 2008 and March, 2009.

PERFORMANCE

Rossell Tea Division

Your directors view with utmost satisfaction Rossell Tea's performance during the year under review. The continual year on year improvement in the average price realisation has positioned your Company as among the best quality producers in Assam.

As has been the policy, your Company continued to focus on the quality standards of its produce, whilst at the same time maximizing production of orthodox teas from the Estates. Orthodox Teas continue to constitute over 70% of the Company's product mix. This policy resulted in your Company outperforming the market in 2008-2009.

During the year under review, rising prices of all inputs led by the escalating fuel prices put severe inflationary pressure on the cost of production. However, led by the quality standards and prudent cost management these pressures were minimized.

Aerotech Services and Vankesh Avionics Technologies Divisions

The year 2008 – 2009 saw tumultuous upheavals in world economies, affecting new ventures, renewal of existing ones, as well as sustaining ongoing works round the globe. Though insulated by its own fiscal policies, the economic recession hit India relatively more than last time, presumably due to opening up of the Indian economy in the earlier part of the nineties.

As Aerotech Services basically deals with Original Equipment Manufacturers (OEMs), most of which are foreign Multinational Companies, the economic slow down has also affected the Company. However, the ongoing contracts were completed during the year successfully and the turnover of Aerotech Services during the year was Rs.371.82 lac, which remain included in the gross turnover of the Company of Rs.5,751.78 lac, as shown above.

A new Division namely Vankesh Avionics Technologies (VAT) was formed on and from 1st October 2008. The division's special areas of activities are design, development and manufacture of various types of test rigs, aircraft looming and PCB assembly etc. During the period 1st October 2008 to 31st March 2009 its performance is considered to be satisfactory keeping in view the gestation period required for this line of business. The Division received orders worth Rs.21.03 lac and executed the same worth Rs.16.44 lac. During this inception period, however, the Division incurred a loss of Rs.55.12 lac.

PROSPECTS

Rossell Tea Division

The season 2009-2010 commenced with a pipeline shortage estimated to be approx. 25 million kgs. By end-

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April, 2009 Indian crops were lower by another 25 million kgs. World crops were by end April lower by 73 million kgs. This clearly defined situation along with the rising consumption trend in India suggests that the market will be demand led, a reversal of the situation at the start of the millennium.

Prices for both categories, especially CTC teas have been significantly higher than those prevailing last year. We expect both orthodox and CTC teas to sell strongly through the year. However your Company feels that quality standards must be re-emphasized if we are to outperform the market. Your directors view the year ahead with cautious optimism.

Aerotech Services and Vankesh Avionics Technologies Divisions

Though it was expected that the existing contracts will be extended but due to slow down in world economy, those were not renewed. All efforts are being put forward to procure further contracts on long term basis by Aerotech Services Division.

It is expected that in the year 2009–2010, the VAT Division would execute orders worth more than Rs.300 lacs, which in turn would raise the turnover substantially. To achieve this various steps have been undertaken, including the relocation of the existing facility to a new premises with sophisticated equipment required to undertake various types of jobs.

SUBSIDIARY COMPANY

During the year under review, on 17th June, 2008 your Company promoted another Company called Rossell Aviation Private Limited and subscribed to 50% of its Equity Share Capital. Subsequently, the remaining 50% of the paid up capital was also acquired on 4th February, 2009 thereby making that Company a fully owned Subsidiary of your Company. However, this Subsidiary Company is yet to take up any business activity.

STAFF WELFARE AND SOCIAL ACTIVITIES

The Company has always espoused the principles which encompass welfare, health and safety of the employees at all levels. Workers health and well-being continues to be a priority with your Company. The infrastructure in the areas of welfare schemes, health, hygiene, education and water supply is being further upgraded. Recently, your Company has taken the initiative in further improving sanitation in the workers lines by participating in a UNICEF project on sanitation.

Your directors are pleased to report the completion of the Baranadi bandh project by the Brahamaputra Board. This was the culmination of four year's effort to prevail upon the authorities to reinforce the bundhs protecting Nagrijuli T.E. as also the population of the area extending downstream up to Rangiya in Assam. The local populace is deeply appreciative of the lead taken by your Company to protect their livelihood.

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

a. **Environment**

To adopt environmental friendly agricultural and manufacturing policies.

b. **Education**

Well equipped schools for workers' children at all Estates.

c. **Health**

- i. Clean potable water for the entire population in the area where our Estates are located.
- ii. Well equipped hospitals with trained staff
- iii. A sanitation scheme in partnership with UNICEF

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- iv. Organizing camps for eye care, pulse polio for children and regular camps for sterilization.
- v. At the grass root level mothers club to disseminate information on health, hygiene and alcoholism.
- vi. Vocational centres for knitting and tailoring
- vii. Malaria prevention scheme

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in preparation of the Company's Annual Accounts for the year ended 31st March, 2009, the applicable accounting standards have been followed and proper explanations have been provided for material departures, where applicable.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2009 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, 2009 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. Gupta and Mr. R. N. Deogun retire at the forthcoming Annual General Meeting. While Mr. H. M. Gupta being eligible offers himself for re-appointment, Mr. R. N. Deogun, though eligible, has not offered himself for re-appointment. Thus, Mr. R. N. Deogun shall cease to be a Director of the Company upon conclusion of the forthcoming Annual General Meeting. The Board places on record their sincere thanks and appreciation for the dedicated services rendered by him during his tenure as Managing Director since the inception of the Company till 30th June, 2003 and thereafter as a Director.

The terms of appointment of Mr. H. M. Gupta, Executive Chairman expired on 30th April, 2009. Accordingly, in the Meeting of the Board of Directors held on 30th April, 2009, he was re-appointed as Executive Chairman for a further period of three years from 1st May, 2009 to 30th April, 2012, subject to approval by the Members of the Company in the ensuing Annual General Meeting.

In terms of Article 137 of the Articles of Association of the Company, Mr. V. P. Agarwal was appointed as an Additional Director on and from 12th May, 2009 to hold office till the date of the next Annual General Meeting. A Notice has been received pursuant to section 257 of the Companies Act, 1956 from a Member of the Company proposing the appointment Mr. V. P. Agarwal as a Director of the Company. Thus, his appointment has been included in the Notice calling 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.

ROSSELL TEA LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry Structure & Developments

Rossell Tea Division

The all India production in season 2008 was 981 million kgs., 36 million kgs. up from the previous year's production of 945 million kgs. This increase was largely neutralized by the export performance of 196 million kgs. as against 154 million kgs. of the previous year. All in all there was hardly any carry over stock and with growing domestic consumption, the demand led pressure ensured better prices through the year. The orthodox teas were firm during season 2008 and averaged higher than CTC teas which also moved up. Clearly, the quality teas continued to receive premium prices.

However with the global financial crisis playing out from October onwards, there was a slowdown on the export front and a substantial quantities of exportable teas were sold in the domestic market due to uncertainties prevailing on payment terms and shipping schedules especially in Iran and CIS countries. The season ended with an estimated shortage of carry over stocks of approx. 25 million kgs. into season 2009.

Aerotech Services and Vankesh Avionics Technologies Divisions

During the year under review, influenced by immediate OEMs requirements, the nature of work was mainly oriented towards support services required in logistics and technical administration, rather than actual technical work. This substantially limited the scope of Aerotech Services to exploit its full potential. In view of this, the great focus on undertaking actual technical support activities would have to be targeted for the future. All future plans and negotiations for future contracts have therefore, kept this in perspective and results are expected to materialize shortly.

(b) Opportunities and Threats

Rossell Tea Division

It is apparent that world crops are generally stagnant and with increasing consumption in India, the market will be prominently demand led. There continues to be in the medium term great opportunity for well made CTC and orthodox teas.

Your Company continues to outturn well made quality teas consistently. This has resulted in good brand equity for our teas with increased demand from Germany, Iran and CIS countries. Export continues to be a thrust area for your Company.

We continue to reiterate that despite the financial meltdown, the fairly robust Indian economy offers sophisticated choices to the Indian consumers and consequently there is a need to reposition tea as an exciting and youthful beverage. The need for research in areas of other value added products extracted from tea can not be over stated.

Indian tea exports were susceptible to the financial meltdown and to that extent a slowdown was evident. Other threats are weather related but largely these are not in control of the industry. Nonetheless the negative impact of droughts, hail and floods can be minimized through good and careful agricultural practices.

Aerotech Services and Vankesh Avionics Technologies Divisions

With Rs.50 thousand crore of offset activities against total contracts worth roughly Rs.167 thousand crore expected in the next decade, the opportunities are immense. OEMs would have to depend on local Indian companies to support them in the discharge of their offset as well as main contractual obligations.

(c) Segment wise Business Performance

Rossell Tea Division

In keeping with our policy to increase the export component of the business, we are pleased to report that out of a total crop of 41.85 lac kgs. sold during the year, 3.62 lac kgs. was exported representing 8.65% of the total quantity sold as against 4.88 lac kgs. exported representing 10.37% of the total quantity of 45.14 lac kgs. sold in the previous year. In value terms, the export represents 15.36% of the total turnover.

Aerotech Services and Vankesh Avionics Technologies Divisions

While Aerotech Services also contributed towards the overall profitability of the Company with profit before tax of Rs.140.58 lac, VAT Division incurred a loss of Rs.55.12 lac during the period. The segmental results for the year are given in Note 11 in Schedule 18 to the Accounts.

(d) Outlook

Rossell Tea Division

World crops from countries for which data is available indicate a production which is lower by 73 million kgs. for the period January – April 2009 compared to the same period last year. Off this deficit 72 million kgs. is accounted for by lower crops in India, Kenya and Sri Lanka. Shortage both for CTC and orthodox teas is now evident.

In India CTC teas have already moved up appreciably in prices and this situation is likely to pertain through the year.

In the orthodox category, due to lower off takes in the orthodox export markets early this year on account of the global financial crisis, there is emerging a pent up hunger for orthodox teas, this is further heightened by the lower production in Sri Lanka and the likelihood that Indian orthodox production will not be higher than last year. The prospects look good in this category too. It is in our interest to prolong these buoyant conditions through continued emphasis on quality; anything else will fail in the medium and long term.

We continue to believe that quality must come first along with checks against the inflationary spiral of cost increase. As always a quality product through a prudent cost management regime will continue to be the cornerstone of our business strategy; it has paid us in the past and will stand us in good stead in the future.

Aerotech Services and Vankesh Avionics Technologies Divisions

Outlook for the coming years is very positive and various long term agreements are likely to be signed during the year which will improve the working of Aerotech substantially.

As stated earlier, VAT Division is likely to execute order worth Rs.300 lacs. To ensure its successful execution, various steps have been undertaken, including the relocation of the existing facility to a new premises with sophisticated equipments required to undertake various types of jobs, which require special technical facilities, as detailed below:

1. Clean room PCB assembly and integration facility
2. Separate aircraft wiring, fabrication and testing facility
3. Separate test rig assembly and testing facility
4. Infrastructure provisioned for pick and place machines for mass production.

(e) Risk and Concerns

Rossell Tea Division

Tea is an agricultural crop and like all such crop it is dependant on weather conditions. As a commodity, tea continues to be affected by the interplay of demand and supply dynamics and is depended largely on this equation for its pricing. Current indications are for a buoyant market in the short and medium term.

The global financial meltdown has clearly affected tea exports and is a matter of concern. To off set such

ROSSELL TEA LIMITED

a risk development of new markets and enlarging business scope in existing ones is important. Rising cost of production through administrative price increases and inflation continue to affect this labour intensive industry.

Aerotech Services and Vankesh Avionics Technologies Divisions

The only risk / concern would be dealing with Public Sector undertakings in view of procedural delays at their end.

(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 improved its performance significantly. The operating profit before depreciation in respect of Rossell Tea for the year was Rs.1,237.99 lac against Rs.980.20 lac of previous year.

The Aerotech Services Division of the Company contributed Rs.149.56 lacs to the operating profit before depreciation, as against Rs.380.72 lacs in the previous year. While the VAT Division incurred an operating loss of Rs.54.79 lacs before depreciation during the first six months of its operations.

The operating profit before depreciation for the Company is Rs.1,332.76 lacs as against Rs.1,360.92 lacs in the previous year. The financial base of your Company remains sound and we expect further improvement with better financial and operational performance in the future.

(h) Human Resources Development

Human resources are a valuable asset at the Corporate Office as also at the Tea Estates of your Company and attention is continuously paid to their development and well being. Industrial relations at all the Estates remain satisfactory, where your Company employs around 4,525 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.24.00 lacs per annum where employed for full year or Rs.2.00 lacs per month where employed for a part of the year, are given in Annexure II to this Report.

AUDITORS

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

For and on behalf of the Board

Place : Kolkata
Date : 11th June, 2009

H. M. Gupta
Executive Chairman

Annexure I to Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 2009

Particulars with respect to Conservation of Energy

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

Form A

	Year ended 31st March, 2009	Year ended 31st March, 2008
A. Power & Fuel Consumption :		
1. Electricity		
a) Purchased		
Units (Kwh)	17,35,666	17,22,387
Total Amount (Rs.)	1,27,19,530	1,27,48,481
Rate/Unit (Rs.)	7.33	7.40
b) Own Generation		
i) Through Diesel Generator		
Units (Kwh)	4,96,833	6,18,251
Unit/Ltr of Diesel Oil	2.60	2.48
Fuel Cost/Unit (Rs.)	12.82	12.87
ii) Through Natural Gas Generator		
Units (Kwh)	9,80,046	10,45,383
Total Cost of Gas Consumed (Rs.)	12,83,666	10,46,861
Fuel Cost/ Unit (Rs.)	1.31	1.00
2. Natural Gas		
Quantity (Scm)	20,94,945	35,36,675
Total Cost (Rs.)	73,29,265	96,79,606
Average Rate/Unit (Rs.)	3.50	2.74
3. Furnace Oil		
Quantity (Ltr)	23,043	1,05,530
Total Amount (Rs.)	6,83,885	29,18,281
Average Rate/Unit (Rs.)	29.68	27.65
4. Coal (Coke/Rom) for Tea Processing		
Quantity (MT)	1,913.52	1,669.25
Total Cost (Rs.)	66,52,099	41,77,721
Average Rate/Unit (Rs.)	3,476	2,503

ROSSELL TEA LIMITED

	Year ended 31st March, 2009	Year ended 31st March, 2008
B. Consumption per Unit of Production :		
Production - Tea (Gross) Kgs.	42,55,020	45,30,818
Electricity (Kwh)	0.76	0.75
Natural Gas (Scm)	0.77	1.22
Furnace Oil (Ltr)	0.01	0.06
Coal (Coke/Rom) (kgs)	1.24	1.02

Form B

Research and Development (R & D)

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

The Company is a member of the Tea Research Association, Kolkata which is registered under Section 35(1)(ii) of the Income Tax Act, 1961. A contribution of Rs.5.00 lacs (2008-Rs. 4.85 lacs) was made towards subscription for the year.

Technology Absorption, Adaptation and Innovation

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

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

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

Not Applicable

Foreign Exchange Earnings and Outgo

During the year under review, your Company exported a sizeable quantity of teas to various overseas markets. Besides, Receipts for Technical and Support Services were also received in Foreign Currency in Aerotech Services Division. The earnings in Foreign Exchange are given in Note 9.5 in Schedule 18 to the Accounts.

The foreign exchange outgo is given in Notes 9.4, 9.6 and 10 in Schedule 18 to the Accounts.

For and on behalf of the Board

Place : Kolkata
Date : 11th June, 2009

H. M. Gupta
Executive Chairman

ROSSELL TEA LIMITED**Annexure II to Directors' Report**

Information under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) and forming part of the Directors' Report for the year ended 31st March, 2009.

EMPLOYED FOR THE FULL YEAR

Name	Age (in years)	Date of commencement of Employment	Designation / Nature of Duties	Gross Remuneration (Rs.)	Qualification	Last Employment held / Designation	Experience (in years)
H. M. Gupta	55	1st May, 1996	Executive Chairman	30,46,087	B. A. (Hons)	BMG Enterprises Limited - Chairman & Managing Director (still continuing)	34

Notes

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

For and on behalf of the Board

Place : Kolkata
Date : 11th June, 2009

H. M. Gupta
Executive Chairman

ROSSELL TEA LIMITED

Annexure III to Directors' Report

REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Code of Governance:

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

2. Board of Directors – Composition:

The Board is headed by Executive Chairman, Mr. H.M. Gupta and comprises of persons who are expert in their respective fields. At present, majority of the Directors on the Board are Non-Executive Independent Directors. Particulars as on 31st March, 2009 are given below:-

Director	Category	No. of Companies		
		Member of Board	Board Committees #	
			Chairman	Member
Mr. H.M. Gupta	Executive Chairman	7	–	–
Dr. S.S. Bajjal	Non-Executive-Independent	9	5	12
Mr. H.M. Parekh	Non-Executive-Independent	9	2	6
Mr. P.L. Agarwal	Non-Executive-Independent	9	1	5
Mr. R.N. Deogun	Non-Executive-Independent	4	–	2
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, 7 Board Meetings were held on 17.04.2008, 13.06.2008, 28.07.2008, 28.08.2008, 31.10.2008, 05.12.2008 and 30.01.2009.

The last AGM was held on 28.07.2008.

Details of attendance:

Director	No. of Board Meetings Attended	Whether attended Last AGM
Mr. H.M. Gupta	2	Yes
Dr. S.S. Bajjal	2	Yes
Mr. H.M. Parekh	6	Yes
Mr. P.L. Agarwal	6	Yes
Mr. R.N. Deogun	6	No
Mr. C.S. Bedi	7	Yes

3. Audit Committee:

The Audit Committee consists of 3 Non-Executive Independent Directors. The Committee has been meeting once in every quarter of the Financial Year.

A brief description of the terms of reference of the Audit Committee is:

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.

During the year under review, 4 Meetings of the Audit Committee were held on 13.06.2008, 28.07.2008, 31.10.2008 and 30.01.2009.

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

Name	No. of Audit Committee Meetings Attended
Dr. S.S. Bajjal, Chairman	3
Mr. H.M. Parekh	4
Mr. R.N. Deogun	3

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:

The remuneration policy is decided by the Board within the statutory framework and approved by the General Body. The Remuneration Committee consists of Non-Executive Independent Directors, namely Mr. H. M. Parekh, Chairman, Dr. S.S. Bajjal and Mr. P.L. Agarwal.

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

During the year under review, no Meeting of the Remuneration Committee was held.

ROSSELL TEA LIMITED

Remuneration as per Terms of Service paid to Directors during the year 2008-2009:

Name of Directors	Salary	Commission	Contribution to P.F. and other Funds	Value of Perquisites	Rs.
					Total
Mr. H.M. Gupta, Executive Chairman	12,00,000	14,67,840	3,74,000	4,247	30,46,087
Mr. C.S. Bedi, Managing Director	12,60,000	–	3,92,700	6,45,800	22,98,500

- 1) Mr. H.M. Gupta :
 Service contract : 01.05.2006 to 30.04.2009
 Notice period : Three months
 Severance Fee : Not Applicable
- 2) Mr. C. S. Bedi :
 Service contract : 01.10.2007 to 30.09.2010
 Notice period : Three months
 Severance Fee : Not Applicable

Sitting Fees paid to the Non-Executive Directors during the year 2008-2009 and their shareholding in the Company are as under:

Non-Executive Directors	Board Fees	Committee Fees	Total	No. of Shares held
				Rs.
Dr. S.S. Bajjal	12,000	6,000	18,000	1,500
Mr. H.M. Parekh	24,000	20,000	44,000	-
Mr. P.L. Agarwal	24,000	-	24,000	-
Mr. R.N. Deogun	24,000	6,000	30,000	1,500

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 6 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 11th June, 2009	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.

ROSSELL TEA LIMITED

6. General Body Meetings:

Location and time where last three AGMs were held:

Date	Location	Time
27.07.2006	Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017	10.30 a.m.
19.09.2007	-Do-	3.00 p.m.
28.07.2008	-Do-	3.00 p.m.

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

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

- a) In the Annual General Meeting held on 27th July, 2006:-Approval of the Members obtained under Sections 198, 269, 309 and 310 of the Companies Act, 1956 (i) for re-appointment of Mr. H. M. Gupta as Executive Chairman designated as Managing Director for a period of three years from 1st May, 2006 to 30th April, 2009 and (ii) Mr. C. S. Bedi as Executive Director for three years from 1st April, 2006 to 31st March, 2009.
- b) In the General Meeting held on 28th March, 2007:-Unanimous consent of the Members obtained under Section 80, 80A and 81(1A) of the Companies Act, 1956 for issue and allotment of 17,77,778 Equity Shares of Rs.10 each by way of conversion of 4,00,000 9% Non-Cumulative Redeemable Preference Shares of Rs.100 each at Rs.22.50 per Equity Share.
- c) In the Annual General Meeting held on 19th September, 2007:- Approval of the Members obtained (i) under Sections 198, 269, 309 and 310 of the Companies Act, 1956 for appointment of Mr. C. S. Bedi, as Managing Director for a period of three years from 1st October, 2007 to 30th September, 2010 and (ii) under Section 314 of the Companies Act, 1956 for appointment of Mr. Rishab Mohan Gupta being a relative of Mr. H. M. Gupta as Manager (Project) and (iii) under Section 81(1A) of the Companies Act, 1956 for issue and allotment of 10,25,000 Equity Shares of Rs.10 each at a price of Rs.100 per Equity Share to Foreign Institutional Investors on Preferential Allotment basis as per SEBI (Disclosure and Investor Protection) Guidelines, 2000.

7. Other Disclosures:

A. Related party transactions:

Disclosures on materially significant related party transactions: The Company has not entered into any transactions of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company. The transactions undertaken during the year have been disclosed in Note 12 of Schedule 18 forming part of the Accounts for the year ended 31st March, 2009.

- B. No **penalties / strictures** have been imposed on the Company by Stock Exchange or SEBI or any statutory authority for non-compliance of any laws on any matter related to capital markets, during the last three years.
- C. **Non-Mandatory requirements:** The Company has not yet adopted the Whistle Blower Policy and other non-mandatory requirements. However, the employees of the Company have readily access to the members of the Audit Committee.
- D. **Mandatory requirements:** The CEO and CFO placed the required certificate before the Board

ROSSELL TEA LIMITED

certifying, inter alia, the authenticity of the Financial Statements and Cash Flow Statement for the year ended 31st March, 2009. All other mandatory requirements have been duly complied with, to the extent applicable.

E. Declaration of compliance with the Code of Conduct

All the Directors and Senior Management personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors on 25th April, 2005.

F. Code for Prevention of Insider Trading

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

8. Means of Communication:

- a) Quarterly results and the half-yearly results are published in leading newspapers such as Business Standard (English) (all editions) and Aajkal (Bengali) (Kolkata).
- b) Company's Website: **www.rosselltea.com**. Results are also sent to the Stock Exchanges for display on their Websites.

Company's E-mail address: **nk.khurana@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:**
31st July, 2009 at 4.00 P.M.
Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017

- (b) Financial calendar & 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, 2008	On 28.07.2008
2nd quarter ended 30th September, 2008	On 31.10.2008
1st Half: April – September	On 31.10.2008
3rd quarter ended 31st December, 2008	On 30.01.2009
Final Audited Results for the Year including for the 4th quarter ended 31st March, 2009	On 11.06.2009

- (c) **Book Closure period:**

25th July, 2009 to 31st July, 2009 (both days inclusive)

ROSSELL TEA LIMITED

(d) Listing on Stock Exchanges :

The Company's securities are listed at:

1. The Calcutta Stock Exchange Association Ltd.,
7, Lyons Range, Kolkata-700 001
2. 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 2009-2010.

Stock Code :

Stock Exchange	Stock Code
The Calcutta Stock Exchange Association Ltd.	17341
The Gauhati Stock Exchange Ltd.	GGL

(e) Stock Price Data :

There was no transaction of the Equity Shares of the Company at any of the Stock Exchanges during the year ended 31st March, 2009. However, at Calcutta Stock Exchange the last trading of Company's Equity Shares took place on 26th February, 2003 at Rs.18.80 per Equity Share.

In view of non-trading of Company's Equity Shares, no performance indicator could be highlighted.

(f) 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 847C01012

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

(g) 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.

(h) Dematerialization of Shares:

As on 5th June, 2009, 67,07,856 Nos. of Equity Shares, representing 91.40% of the Equity Capital have been dematerialised.

(i) (i) Distribution of shareholding as on 31st March, 2009

Group of Shares	No. of Shareholders	%	No. of Shares held	%
1 to 500	5,720	99.20	2,45,486	3.34
501 to 1000	11	0.19	7,730	0.11
1001 to 2000	6	0.11	8,938	0.12
2001 to 3000	3	0.05	7,550	0.10
3001 to 4000	2	0.03	7,720	0.11
4001 to 5000	1	0.02	4,500	0.06
5001 to 10000	6	0.10	46,778	0.64
10001 & higher	17	0.30	70,10,593	95.52
Total	5,766	100	73,39,295	100.00

ROSSELL TEA LIMITED

(ii) Shareholding pattern as at 31st March, 2009

Category	No. of Shareholders	No. of Shares held	% to Equity Share Capital
Foreign Companies	1	1,10,000	1.50
Non-Resident Individuals	8	210	0.00
Foreign Institutional Investors	2	10,25,000	13.97
Financial Institutions	12	30,173	0.41
Mutual Funds & UTI	2	30,002	0.41
Directors & their relatives	7	7,49,957	10.22
Resident Individuals	5,653	6,01,555	8.19
Nationalized Banks	4	18,090	0.25
Other Bodies Corporate	77	47,74,308	65.05
Total	5,766	73,39,295	100.00

(j) Plant Locations:

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

ASSAM

Dist. Dibrugarh
Dikom, Romai

Dist. Tinsukia
Nokhroy

Dist. Nalbari
Nagriajuli

Dist. Golaghat
Bokakhat

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

(k) Address for correspondence:

Registrars & Share Transfer Agents including Depository Registrar

CB Management Services Private Limited,
P-22, Bondel Road, Kolkata-700 019
Tel. : 4011 6700, 4011 6711, 4011 6718, 4011 6723
E-mail : rta@cbmsl.com

Compliance Officer

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

For and on behalf of the Board

Place : Kolkata
Date : 11th June, 2008

H. M. Gupta
Executive Chairman

Auditors' Certificate on Compliance with the conditions of Corporate Governance

TO THE MEMBERS OF ROSSELL TEA LIMITED

We have examined the compliance of conditions of Corporate Governance by Rossell Tea Limited for the year ended 31st March, 2009 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

Place: Kolkata
Date: 11th June, 2009

R.K. Roy Chaudhury
Partner
Membership No.8816

Declaration

It is hereby declared that the Company has obtained affirmation for the year 2008-2009 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 and shall comply with such Code during the year 2009-2010.

Place: Kolkata
Date: 11th June, 2009

H. M. Gupta
Chief Executive Officer

ROSSELL TEA LIMITED

CEO and CFO Certification

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

Dear Sirs,

We hereby certify to the Board that :

- a) We have reviewed Financial Statements and Cash Flow Statement for the year ended 31st March, 2009 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: 11th June, 2009

N. K. Khurana
Chief Finance Officer

Auditors' Report

To the Members of Rossell Tea Limited

We have audited the attached Balance Sheet of Rossell Tea Limited as at 31st March, 2009, the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of books.
3. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account.
4. In our opinion, the Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended on that date comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except AS-15 regarding liability for gratuity and pension pending funding to the tune of Rs.103.49 lacs. (Refer Note No.12/II)
5. On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2009,
 - (b) in the case of the Profit and Loss Account of the profit for the year ended on that date and
 - (c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.
7. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Government of India under Section 227(4A) of the Companies Act, 1956 (the Act) and on the basis of such checks as we considered appropriate, we further state that:
 - i.
 - (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
 - (b) As explained to us, these fixed assets have been physically verified by the management during the year which in our opinion is reasonable having regard to size of the Company and nature of its business. No material discrepancies were noticed on such verification as compared to book records.
 - (c) Substantial part of the Fixed Assets have not been disposed off during the year.
 - ii.
 - (a) The inventory excluding materials in transit and those lying with third parties have been physically verified by the management during the year, at reasonable intervals.

ROSSELL TEA LIMITED

- (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 has not granted any loans secured or unsecured to any company, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except to a Subsidiary Company, to whom an unsecured loan to the tune of Rs.75.10 lacs has been granted and the year end balance of the said loan is also Rs.90.10 lacs. The maximum amount due at any time during the year in respect of said loan amounts to Rs.115.00 lacs.
- (b) The Rate of Interest and other terms and conditions of such unsecured loan in our opinion are not prima facie pre-judicial to the Interest of the Company
- (c) There is no stipulation with regard to repayment of principal, which is payable on demand. The Interest thereon is generally being paid on monthly basis.
- (d) Therefore, no overdue amount has arisen as no demand for repayment of the principal has been made by the Company.
- (e) The Company has taken unsecured loans from three other Companies and from the Chairman and the Managing Director covered in the Register maintained under Section 301 of the Companies Act, 1956. The year end balance of loan taken from such parties was Rs.488.85 lacs and the maximum amount involved during the year was Rs. 1,390.85 lacs.
- (f) The rate of interest and terms and conditions on which unsecured loans have been taken from Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 are, in our opinion, not prima facie prejudicial to the interest of the Company.
- (g) There is no stipulation with regard to repayment of principal and payment of interest on unsecured loans. However, the Company is paying interest amount generally on quarterly/monthly basis.
- iv. In our opinion and according to the explanations given, internal control procedures for the purchase of inventory and fixed assets and for the sale of goods and services are commensurate with the size of the Company and nature of its business. During the course of audit, we have not noticed any continuing failure to correct the major weaknesses in internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (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 during the year.
- vii. The Internal Audit system in existence is commensurate with the size of the Company and nature of its business.
- viii. The Central Government has prescribed for the maintenance of cost records under Clause (d) of sub-sec. (1) of Sec.209 of the Companies Act, 1956. We have broadly reviewed the records and Accounts maintained by the Company. We are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of such records.
- ix. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance,

ROSSELL TEA LIMITED

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 to us, there are no dues of income tax, customs duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute except for Sales Tax. The details of which are as follows:

Appeals before Assistant Commissioner of Commercial Taxes for Rs.15.76 lacs on account of non-submission of Declaration Form / Purchase Tax under West Bengal Sales Tax Act, 1994 and/or Central Sales Tax Act, 1956 in respect of the year 2004-2005 and 2005-2006.

- x. The Company has no accumulated losses at the end of the Financial Year. The Company has not incurred cash losses during the financial year covered by our report or in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, 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. Accordingly, the Clause 4(xii) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is not a chit fund or a *nidhil* / mutual benefit fund/society. Accordingly, the Clause 4(xiii) of the Order is not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the Clause 4(xiv) of the Order is not applicable to the Company.
- xv. The Company has given guarantee for loans taken by a Subsidiary Company from a Bank. Terms and conditions of such guarantee prima-facie are not prejudicial to the interest of the Company.
- xvi. In our opinion and according to information and explanations given to us, the term loans taken have been applied for the purpose for which they were raised.
- 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 preferential allotment of shares has been made by the Company for which necessary resolution under section 81 of the Companies Act, 1956 has been passed in the Annual General Meeting.
- xix. During the period covered by our audit, the Company has not issued any debentures. Accordingly, the Clause 4(xix) of the Order is not applicable to the Company.
- xx. The Company has not raised money by Public Issue during the year. Accordingly, the Clause 4(xx) of the Order is not applicable to the Company.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.S.Kothari & Co.
Chartered Accountants

R.K.Roy Chaudhury
Partner
Membership No.8816

Place : Kolkata
Date : 11th June, 2009

ROSSELL TEA LIMITED

Balance Sheet as at 31st March, 2009

	Schedule	As at 31.03.2009	As at 31.03.2008
		Rs.	Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	7,33,92,950	6,31,42,950
Reserves & Surplus	2	<u>1,09,45,97,846</u>	<u>94,90,44,729</u>
		<u>1,16,79,90,796</u>	<u>1,01,21,87,679</u>
Loan Funds			
Secured Loans	3	16,51,65,135	5,79,75,613
Unsecured Loans	4	<u>4,99,31,981</u>	<u>10,77,99,222</u>
		<u>21,50,97,116</u>	<u>16,57,74,835</u>
TOTAL		<u>1,38,30,87,912</u>	<u>1,17,79,62,514</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	1,18,88,03,271	1,15,89,74,853
Less: Depreciation		<u>10,78,27,627</u>	<u>9,33,89,586</u>
Net Block		1,08,09,75,644	1,06,55,85,267
Capital Work-in-Progress		<u>50,43,987</u>	<u>50,43,047</u>
		<u>1,08,60,19,631</u>	<u>1,07,06,28,314</u>
Investments	6	22,73,51,601	7,84,70,723
Deferred Tax Asset		21,00,000	1,34,00,000
Current Assets, Loans & Advances			
Inventories	7	2,13,98,475	2,14,75,086
Sundry Debtors	8	54,51,675	88,33,364
Cash and Bank Balances	9	79,48,209	37,91,685
Other Current Assets	10	1,69,22,887	1,59,06,320
Loans and Advances	11	<u>10,36,90,739</u>	<u>5,99,53,896</u>
		<u>15,54,11,985</u>	<u>10,99,60,351</u>
Less: Current Liabilities & Provisions			
Current Liabilities	12	6,95,13,126	7,95,22,299
Provisions	13	<u>1,82,82,179</u>	<u>1,49,74,575</u>
		<u>8,77,95,305</u>	<u>9,44,96,874</u>
Net Current Assets		<u>6,76,16,680</u>	<u>1,54,63,477</u>
TOTAL		<u>1,38,30,87,912</u>	<u>1,17,79,62,514</u>
Notes on Accounts	18		

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

In terms of our Report of even date

For S.S.Kothari & Co.
Chartered Accountants
R.K.Roy Chaudhury
Partner

C.S.Bedi
Managing Director
H.M.Parekh
Director

H. M. Gupta
Executive Chairman
R.N.Deogun
Director

P.L.Agarwal
Director
N.K.Khurana
Vice-President (Finance)
Cum Company Secretary

Place: Kolkata
Date: 11th June, 2009

ROSSELL TEA LIMITED

Profit and Loss Account for the year ended 31st March,2009

	<u>Schedule</u>	<u>Rs.</u>	<u>2008-2009</u> <u>Rs.</u>	<u>2007-2008</u> <u>Rs.</u>
INCOME				
Sales			53,79,95,644	46,99,51,055
Receipts for Technical and Support Services			3,71,82,199	6,20,66,609
Other Income	14		2,09,54,429	2,29,67,782
			<u>59,61,32,272</u>	<u>55,49,85,446</u>
EXPENDITURE				
Decrease in Stock	15		1,86,557	47,93,096
Expenses	16		44,17,16,333	40,29,46,561
Interest	17		2,09,53,520	1,11,53,618
Depreciation		1,70,95,737		
Less: Depreciation on amount added on revaluation (Note 2)		<u>34,34,380</u>	1,36,61,357	1,36,49,980
			<u>47,65,17,767</u>	<u>43,25,43,255</u>
PROFIT BEFORE EXCEPTIONAL ITEMS			11,96,14,505	12,24,42,191
Profit (Loss) on sale of Investments (Net)			(79,67,095)	13,67,485
Unrealised (Loss) Gain on Exchange			(1,09,80,000)	38,90,000
Profit on sale of Property			-	11,98,00,898
PROFIT BEFORE TAXATION			10,06,67,410	24,75,00,574
Fringe Benefit Tax			12,50,000	9,00,000
Provision for Current Taxation			1,85,00,000	2,05,00,000
Deferred Taxation Adjustment (Note 13)			1,13,00,000	1,63,00,000
PROFIT AFTER TAXATION			6,96,17,410	20,98,00,574
Balance brought forward			3,56,76,667	(6,09,99,645)
Transfer from Exchange rate Variation Reserve			90,61,000	-
PROFIT AVAILABLE FOR APPROPRIATION			<u>11,43,55,077</u>	<u>14,88,00,929</u>
APPROPRIATION				
Transfer to Exchange Rate Variation Reserve			-	38,90,000
Transfer to General Reserve			8,00,00,000	10,00,00,000
Dividend on Equity Shares			1,10,08,943	78,92,869
Tax on Dividend			18,70,970	13,41,393
Balance carried forward			2,14,75,164	3,56,76,667
			<u>11,43,55,077</u>	<u>14,88,00,929</u>
Earnings per Equity Share (Basic and Diluted)			10.48	33.23

Notes on Accounts

18

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

In terms of our Report of even date

For S.S.Kothari & Co.
Chartered Accountants

R.K.Roy Chaudhury
Partner

C.S.Bedi
Managing Director

H.M.Parekh
Director

H. M. Gupta
Executive Chairman

R.N.Deogun
Director

P.L.Agarwal
Director

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

Place: Kolkata
Date: 11th June, 2009

ROSSELL TEA LIMITED

Schedules to the Balance Sheet

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 1		
CAPITAL		
Authorised		
90,00,000 (2008 - 90,00,000) Equity Shares of Rs.10 each	<u>9,00,00,000</u>	<u>9,00,00,000</u>
Issued and Subscribed		
73,39,295 (2008 - 63,14,295) Equity Shares of Rs. 10 each fully paid up	<u>7,33,92,950</u>	<u>6,31,42,950</u>
Notes:		
1. Of the above 30,35,717 Equity Shares have been issued for consideration other than cash and 17,77,778 Equity Shares have been issued by way of conversion of 4,00,000 9% Redeemable Preference Shares of Rs. 100 each.		
2. During the year 10,25,000 Equity Shares were issued in Cash on Preferential Allotment basis to Certain Foreign Institutional Investors (Note 3)		
3. Of the above 46,52,509 (2008-46,52,509) Equity Shares are held by BMG Enterprises Ltd., the Holding Company.		
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last Account	16,87,04,823	16,87,04,823
Add: Received during the year	<u>9,22,50,000</u>	<u>-</u>
	<u>26,09,54,823</u>	<u>16,87,04,823</u>
Capital Reserve		
Balance as per last Account	2,25,45,443	2,16,82,816
Add: Compensation received for acquisition of Land	<u>-</u>	<u>8,62,627</u>
	<u>2,25,45,443</u>	<u>2,25,45,443</u>
Revaluation Reserve		
Balance as per last account	53,65,54,617	-
Added on Revaluation	<u>-</u>	<u>53,65,54,617</u>
	<u>53,65,54,617</u>	<u>53,65,54,617</u>
Less: Withdrawal on account of depreciation on incremental amounts upon revaluation (Note 2)	<u>34,34,380</u>	<u>-</u>
	<u>53,31,20,237</u>	<u>53,65,54,617</u>
General Reserve		
Balance as per last Account	17,65,02,179	9,52,49,972
Less: Other Adjustments	<u>-</u>	<u>1,87,47,793</u>
	<u>17,65,02,179</u>	<u>7,65,02,179</u>
Add: Transfer from Profit and Loss Account	<u>8,00,00,000</u>	<u>10,00,00,000</u>
	<u>25,65,02,179</u>	<u>17,65,02,179</u>
Exchange Rate Variation Reserve		
Balance as per last Account	90,61,000	51,71,000
Add: Transfer from Profit and Loss Account	<u>-</u>	<u>38,90,000</u>
	<u>90,61,000</u>	<u>90,61,000</u>
Less: Transfer to Profit and Loss Account	<u>90,61,000</u>	<u>-</u>
	<u>-</u>	<u>90,61,000</u>
Surplus in Profit and Loss Account	<u>2,14,75,164</u>	<u>3,56,76,667</u>
	<u>1,09,45,97,846</u>	<u>94,90,44,729</u>

ROSSELL TEA LIMITED

SCHEDULE 3	As at 31.03.2009	As at 31.03.2008
SECURED LOANS	Rs.	Rs.
From Banks		
Foreign Currency Term Loan		
External Commercial Borrowing from		
The Bank of Beirut (U.K.) Ltd. [Secured by equitable mortgage of Dikom T.E. pari passu with State Bank of India and equitable mortgage of Bokakhat T.E.pari passu with IndusInd Bank Ltd.]	5,09,50,000	3,99,70,000
Rupee Term Loan		
Term Loan from HDFC Bank Ltd. [Secured by hypothecation of tea crop and movable assets of Nokhroy, Nagrijuli and Romai T.Es.and collaterally secured by equitable mortgage of Nokhroy T.E.]	5,00,00,000	–
Term Loan from Develoment Credit Bank Ltd. [Secured by subservient charge on the Current Assets of the Company and Corporate Guarantee of BMG Enterprises Ltd., the Holding Company]	3,00,00,000	–
Car Loan from HDFC Bank Ltd. [Secured by hypothecation of Motor Car financed by them]	26,97,796	–
Cash Credit Accounts		
HDFC Bank Ltd. [Secured by hypothecation of tea crop and movable assets of Nokhroy, Nagrijuli and Romai T.Es.and collaterally secured by equitable mortgage of Nokhroy T.E.]	1,32,20,329	31,98,642
State Bank Of India [Secured by hypothecation of tea crop and movable assets of Dikom T.E. and collaterally secured by equitable mortgage of Dikom T.E. pari passu with The Bank of Beirut (U.K.) Ltd.]	1,02,82,957	38,61,883
IndusInd Bank Limited [Secured by hypothecation of tea crop and movable assets of Bokakhat T.E.and collaterally secured by equitable mortgage of Bokakhat T.E. pari passu with The Bank of Beirut (U.K.) Ltd.]	80,14,053	1,09,45,088
	<u>16,51,65,135</u>	<u>5,79,75,613</u>
SCHEDULE 4		
UNSECURED LOANS		
Intercorporate Deposits	2,59,35,307	5,30,80,000
Loan from Managing Director (Executive Chairman)	2,29,50,000	5,36,50,000
Interest accrued and due thereon	10,46,674	10,69,222
	<u>4,99,31,981</u>	<u>10,77,99,222</u>

ROSSELL TEA LIMITED

SCHEDULE -5

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost/Revalued As at 31.03.08	Additions During the Year	Increase on Revaluation	Cost/Revalued As at 31.03.09	As at 31.03.08	Additions for the Year	Written back / Adjustments during the Year	As at 31.03.09	As at 31.03.08
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land and Planted Teas	65,63,07,677	90,84,832	-	66,53,92,509	-	-	-	66,53,92,509	65,63,07,677
Buildings	27,91,66,690	56,52,185	-	28,48,18,875	1,70,14,890	55,07,691	-	2,25,22,581	26,21,51,800
Plant and Machinery	18,19,07,911	92,53,226	1,21,528	19,10,39,609	5,74,33,830	78,09,118	-	6,52,42,948	12,47,03,140
Furniture and Fittings	94,62,417	3,59,250	1,46,243	96,75,424	44,93,013	5,90,586	44,795	50,38,804	49,69,404
Vehicles	2,28,79,287	88,63,577	39,15,658	2,78,27,206	1,07,45,619	24,52,220	25,19,302	1,06,78,537	1,21,33,668
Office and Other Equipments	92,50,871	10,41,580	2,42,803	1,00,49,648	37,02,234	7,36,121	93,598	43,44,757	53,19,578
Total	1,15,89,74,853	3,42,54,650	44,26,232	1,18,88,03,271	9,33,89,586	1,70,95,736	26,57,695	10,78,27,627	1,06,55,85,267
Previous Year	61,27,70,990	1,62,86,0076	66,36,830	53,65,54,617	1,15,89,74,853	1,36,49,980	37,88,863	9,33,89,586	1,06,55,85,267

Note : Disposal during the year under Plant and Machinery represents Rs. 1,21,528 received from Tea Board against Fixed Assets added during the year 2007-2008

ROSSELL TEA LIMITED

SCHEDULE 6	As at 31.03.2009	As at 31.03.2008
INVESTMENTS	Rs.	Rs.
At Cost	Rs.	Rs.
Long Term Investments		
Trade Investments: Unquoted		
In Shares, Debentures or Bonds		
Sigma Microsystems Private Limited (Subsidiary Company) 5,62,500 (2008 -5,62,500) Equity Shares of Rs. 10 each fully paid up	2,25,56,251	2,25,56,251
Rossell Aviation Private Limited (Subsidiary Company) 10,000(2008 -Nil) Equity Shares of Rs. 10 each fully paid up	1,00,250	–
50,000 (2008- 50,000) Equity Shares of Rs.10 each fully paid up of Assam Hospitals Limited	5,00,000	5,00,000
83,305 (2008- Nil) Equity Shares of Rs.1 each fully paid up of Celsia Hotels Private Limited	12,50,00,805	–
19,26,000 (2008- Nil) Equity Shares of Rs.1 each fully paid up of PSK Resorts & Hotels Private Limited	5,20,02,000	–
100 (2008- Nil) Equity Shares of Singapore\$ 1 each fully paid up of RV Enterprizes Pte. Ltd.	3,355	–
Other Investments: Unquoted		
In Shares, Debentures or Bonds		
500 5.50% Non-Convertible Redeemable Taxable Bonds Series VII of Rs. 10,000 each of Rural Electrification Corporation Ltd.	50,00,000	50,00,000
In Units		
Face value Rs.10 each		
Nil (2008-64,117.769) Kotak Liquid (Institutional) Dividend	–	6,42,830
2,75,908.7964 (2008 - Nil) Kotak Floater Short Term (G)	39,66,331	–
Nil (2008-12,22.500) DSP Merrill Lynch World Gold Fund-Growth	–	12,50,006
1,50,000(2008-1,50,000) Sundaram BNP Paribas Energy Opportunities Fund- Dividend	15,00,000	15,00,000
Nil (2008-2,50,000) Kotak Global Emerging Market Fund-Growth	–	25,00,000
Other Investments: Quoted		
In Shares, Debentures or Bonds		
Equity Shares of Rs.10 each		
13,840 (2008- 13,840) Mysore Petro Chemicals Limited	7,49,793	7,49,793
2,878 (2008-1,10,000) HDFC Bank Ltd. (Formerly known as Centurian Bank of Punjab Ltd.)	45,70,348	60,65,000
8,504 (2008-4,888) ICICI Bank Ltd.	23,41,686	56,93,113
Nil (2008-1,350) Mundra port and Special Economic Zone Ltd.	–	11,88,006
Nil (2008-1,000) Mahindra & Mahindra Ltd.	–	6,44,041
9,000 (2008-9,000) Power Grid Corporation of India Ltd.	11,63,408	11,63,408
Nil (2008-2,700) Reliance Industries Ltd.	–	71,59,066
Nil (2008-7,500) Reliance Petroleum Ltd.	–	14,58,174
6,765 (2008-4,943) Infrastructure Development Finance Co. Ltd.	7,45,985	9,63,982
Nil (2008-1,000) Kotak Mahindra Bank Ltd.	–	10,64,731
4,500 (2008-4,500) NTPC Ltd.	10,46,294	10,46,294
175 (2008-100) State Bank of India	2,92,490	2,24,276
79 (2008-600) Tata Power Ltd.	48,121	7,84,338

ROSSELL TEA LIMITED

			As at 31.03.2009	As at 31.03.2008
			Rs.	Rs.
Nil	(2008-1,205)	Bharat Petroleum Ltd.	–	4,84,446
Nil	(2008-994)	CESC Ltd.	–	5,59,181
Nil	(2008-231)	Container Corporation of India Ltd.	–	3,67,613
1,544	(2008-1,576)	Gujrat Narmada Fertiliser Ltd.	2,32,160	2,36,945
Nil	(2008-1,804)	Hindustan Petroleum Corporation Ltd.	–	5,18,575
Nil	(2008-3,236)	NIIT Ltd.	–	4,40,629
655	(2008-1,233)	Rallis India Ltd.	2,71,930	4,82,729
Nil	(2008-1,161)	Tata Motors Ltd.	–	8,99,021
Nil	(2008-913)	Tata Tea Ltd.	–	7,75,384
Nil	(2008-940)	Television Eighteen India Ltd.	–	4,51,182
Nil	(2008-1,506)	Tata Communications Ltd.	–	7,10,570
502	(2008-Nil)	Reliance Capital Ltd.	1,56,652	–
148	(2008-Nil)	Bharti Airtel Ltd.	82,153	–
1,590	(2008-Nil)	Cairn India Ltd.	2,51,171	–
Fully Paid Equity Shares of Rs.5 each				
Nil	(2008-2,000)	Reliance Communications Ltd.	–	14,05,449
2,138	(2008-2,021)	Network 18 Media & Investments Ltd.	7,10,792	6,73,050
Nil	(2008-337)	Network 18 Media & Investments Ltd.-PCCPS	–	50,620
Fully Paid Equity Shares of Rs.2 each				
Nil	(2008-850)	Divi's laboratories Ltd.	–	12,22,826
5,000	(2008-5,000)	GMR Infrastructure Ltd.	8,97,642	8,97,642
3,500	(2008-3,500)	Jaiprakash Associates Ltd.	11,97,616	11,97,616
1,460	(2008-600)	Larsen & Toubro Ltd.	22,34,354	20,84,808
1,000	(2008-1,000)	Punj Lloyd Ltd.	4,40,106	4,40,106
Nil	(2008-322)	Financial Technologies Ltd.	–	8,29,533
Nil	(2008 - 949)	Gammon India Ltd.	–	5,20,486
Nil	(2008-2,489)	Max india Ltd.	–	5,87,977
Fully Paid Equity Shares of Rs.1 each				
Nil	(2008-400)	Jindal Steel and Power Ltd.	–	9,22,170
193	(2008-Nil)	Sesa Goa Ltd.	14,097	–
Nil	(2008-4,539)	Marico Ltd.	–	2,83,045
			22,80,75,790	7,91,94,912
Less: Provision for diminution in the value of Investments			7,24,189	7,24,189
			22,73,51,601	7,84,70,723
Aggregate Book value (Net of Provisions)				
Quoted Investments			1,74,46,798	4,45,21,636
Unquoted Investments			20,99,04,803	3,39,49,087
			22,73,51,601	7,84,70,723
Market Value of Quoted Investments			90,73,289	3,59,16,186
Shares, Debentures or Bonds purchased and sold during the year :			Numbers	Cost Rs.
Fully Paid Equity Shares of Rs.10 each				
ICICI Bank Ltd.			2,024	9,17,245
CESC Ltd.			180	64,193
Container Corporation of India Ltd. (Bonus Shares Allotted)			231	–
Tata Motors Ltd.			1,693	3,65,424
Bharti Airtel Ltd.			628	3,50,640
NIIT Ltd.			623	67,278
Television Eighteen India Limited			318	79,061

ROSSELL TEA LIMITED

	<u>Numbers</u>	<u>Cost Rs.</u>
Reliance Capital Ltd.	421	5,71,402
Fully Paid Equity Shares of Rs.5 each Network 18 Media & Investments Ltd. (Bonus Shares Allotted)	235	–
Fully Paid Equity Shares of Rs.2 each Max India Ltd.	179	35,988
Financial Technologies Ltd.	118	1,82,234
Gammon India Ltd.	444	96,081
	<hr/>	<hr/>
Units purchased and redeemed during the year :		
Kotak Liquid (Institutional)-Dividend	4,85,589	48,69,867
Kotak Gilt Savings Plan	3,42,743	69,40,051
Kotak Floater Long Term (G)	3,37,402	46,21,510
Kotak Floater Short Term (G)	3,60,099	51,92,392
	<hr/>	<hr/>
SCHEDULE 7	As at 31.03.2009	As at 31.03.2008
INVENTORIES	Rs.	Rs.
Stock of Tea at lower of cost and net realisable value	72,76,881	75,73,438
Stock of Stores & Spares at or under cost	1,39,95,166	1,39,01,648
Stock of Raw Materials at cost	16,428	–
Work-in-progress at works cost	1,10,000	–
	<hr/>	<hr/>
	2,13,98,475	2,14,75,086
	<hr/>	<hr/>
SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured , Considered Good Debts outstanding for a period exceeding six months	–	–
Other Debts	54,51,675	88,33,364
	<hr/>	<hr/>
	54,51,675	88,33,364
	<hr/>	<hr/>
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in Hand	2,31,177	1,21,978
Remittance -in- Transit	4,61,500	–
With Scheduled Banks		
on Current Accounts	33,39,468	35,56,975
on EEFC Account in USD	22,63,050	–
on EEFC Account in Euro	15,41,573	–
on Margin Money Account	39,824	60,238
on Unpaid Dividend Accounts	71,617	52,494
	<hr/>	<hr/>
	79,48,209	37,91,685
	<hr/>	<hr/>
SCHEDULE 10		
OTHER CURRENT ASSETS		
Interest Accrued on Deposits	11,77,335	3,80,226
Other Receivables	1,57,45,552	1,55,26,094
	<hr/>	<hr/>
	1,69,22,887	1,59,06,320
	<hr/>	<hr/>

ROSSELL TEA LIMITED

SCHEDULE 11	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
LOANS & ADVANCES		
Unsecured , Considered Good		
Advances for Capital Assets	2,46,68,287	2,40,38,309
Intercompany Deposits	3,40,10,000	1,73,50,000
Advances recoverable in cash or in kind or for value to be received	2,51,69,931	98,63,530
Deposits	1,98,42,521	87,02,057
	<u>10,36,90,739</u>	<u>5,99,53,896</u>

SCHEDULE 12		
CURRENT LIABILITIES		
Sundry Creditors	1,18,26,041	1,65,16,390
Other Liabilities	5,72,27,368	6,24,67,479
Interest Accrued but not Due	4,44,101	4,85,936
Unpaid Dividend *	71,616	52,494
	<u>6,95,69,126</u>	<u>7,95,22,299</u>

[Transfer to Investor Protection Fund Rs. 52,495 (A/c 2000-2001) during the year.]

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

SCHEDULE 13		
PROVISIONS		
Provision for Taxation (Net)	54,02,266	57,40,313
Proposed Dividend	1,10,08,943	78,92,869
Tax on Dividend	18,70,970	13,41,393
	<u>1,82,82,179</u>	<u>1,49,74,575</u>

Schedules to the Profit and Loss Account

	2008-2009 Rs.	2007-2008 Rs.
SCHEDULE - 14		
OTHER INCOME		
Interest		
On Intercompany Deposits	16,84,206	12,67,168
[Tax deducted at source Rs.1,62,583 {2008-Rs.2,87,140}]		
On Other Deposits	13,90,878	1,98,547
[Tax deducted at source Rs.1,62,241 {2008-Rs.26,287}]		
On Fixed Deposits with Banks	-	9,82,122
[Tax deducted at source Rs.Nil {2008-Rs.2,00,368}]		
On Income Tax Refund	<u>1,11,008</u>	<u>1,31,211</u>
	31,86,092	25,79,048
Dividend	2,54,101	3,07,077
Gain on Exchange (Net)	-	22,92,650
Subsidy - Replanting	16,69,844	21,15,662
Tea Board Orthodox Subsidy Scheme	1,02,20,435	1,14,74,750
Sale of DEP Licence	29,40,437	31,70,380
Sundry Receipts	10,58,053	10,28,215
Liabilities no longer required written back	16,25,467	-
	<u>2,09,54,429</u>	<u>2,29,67,782</u>

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SCHEDULE - 15	2008-2009	2007-2008
(INCREASE)/DECREASE IN STOCK	Rs.	Rs.
Opening Stock Of Tea	75,73,438	1,23,66,534
Less: Closing Stock Of Tea	<u>72,76,881</u>	<u>75,73,438</u>
	2,96,557	47,93,096
Less: Closing Work-in-process	<u>1,10,000</u>	-
	<u>1,86,557</u>	<u>47,93,096</u>
SCHEDULE - 16		
EXPENSES		
Payment and benefits to employees		
Salaries, Wages and Bonus	17,07,82,035	17,24,17,355
Contribution to Provident and other Funds	2,32,12,920	2,28,18,564
Workmen and Staff Welfare	<u>2,78,56,081</u>	<u>2,53,17,731</u>
	<u>22,18,51,036</u>	<u>22,05,53,650</u>
Other Expenses		
Consumption of Stores and Spare Parts	6,51,59,139	3,94,77,793
Purchase of Green Leaf	6,25,005	78,06,467
Consumption of Raw Materials	11,15,070	-
Power and Fuel	3,95,43,666	4,18,73,228
Tea Cess	13,05,766	13,46,465
Cess on Green Leaf	57,41,347	58,97,493
Rent	28,67,811	19,32,863
Rates and Taxes	19,20,363	4,81,381
Repairs to Building	1,45,60,739	1,03,96,389
Repairs to Machinery	1,09,57,544	96,24,553
Other Repairs and Maintenance	32,78,096	12,53,687
Vehicles Maintenance	46,29,519	45,09,120
Transportation	1,17,88,493	1,25,27,729
Shipment Charges	33,16,040	33,68,235
Warehousing and Selling Expenses	90,24,094	1,03,54,148
Brokerage	38,78,665	33,41,932
Commission on Sales	23,07,603	24,76,722
Insurance	11,46,572	12,47,602
Directors' Fee and Commission	2,66,000	2,80,000
Auditors' Remuneration	2,48,102	2,33,463
Travelling and Conveyance	89,27,828	83,18,727
Miscellaneous Expenses	2,49,38,230	1,55,58,633
Loss on Exchange (Net)	11,46,759	-
Loss on Disposal of Fixed Asset (Net)	11,72,846	86,281
	<u>21,98,65,297</u>	<u>18,23,92,911</u>
	<u>44,17,16,333</u>	<u>40,29,46,561</u>
SCHEDULE - 17		
INTEREST		
On Bank Overdraft	60,76,908	15,77,057
On Term Loans to Banks	71,35,508	47,83,738
On Intercompany Deposits	57,14,995	44,12,096
On Unsecured Loan from Managing Director (Executive Chairman)	<u>39,13,793</u>	<u>44,23,180</u>
	2,28,41,204	1,51,96,071
Less: Interest Subsidy	<u>18,87,684</u>	<u>40,42,453</u>
	<u>2,09,53,520</u>	<u>1,11,53,618</u>

ROSSELL TEA LIMITED

SCHEDULE 18

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2009

1. Significant Accounting Policies

1.1 Basis of Accounting

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

1.2 Fixed Assets

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

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

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

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

1.3 Foreign Currency Transaction

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

1.4 Investments

Investments are stated at cost of acquisition and treated as long term investments. Profit and Loss on sale of investments have been recognized as an exceptional item in the Profit and Loss Account for the year.

1.5 Inventories

Stock of Tea is valued at lower of cost and net realisable value and that of stores and spares is valued at or under cost. Stock of Raw Materials and Work-in-progress have been valued at respective cost.

1.6 Staff Benefits

- a) The Company operates Defined Contribution Schemes namely, Provident Fund and Superannuation Fund for certain classes of employees. Monthly contribution is made to these funds which are fully funded and administered by Trustees and are independent of Company's finance. Contributions are recognized in Profit and Loss Account on an accrual basis. The shortfall between the interest distributed to the Members of the Provident Fund in terms of the provision of the relevant Trust Deed and interest that could be distributed out of the surplus of the fund, is also being recognized in Profit and Loss Account in the year to which the shortfall relates.
- b) Defined Benefit Plans like Gratuity and Pension Schemes (frozen as on 31st March, 2002) are also maintained by the Company. The Company contributes to these funds and such contribution is determined by the actuary at the end of the year. Pending full funding to said Gratuity and defined benefit Pension Fund, the Company ascertains the liability on the basis of an actuarial valuation at the end of each year. Actuarial gains and losses are recognized in the Profit and Loss Account. The Company also recognizes in the Profit and Loss Account gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs. Both the pension funds and gratuity fund are administered by the Trustees and are independent of Company's finance.

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

5.3 Estimated amount of Contingent Liabilities not provided for in respect of West Bengal Sales Tax and Central

1.7 **Borrowing Cost** (Bengal) – **Rs.15,75,867** (2008- 2,46,748)

6.1 **Inter Corporate Deposits** includes amount paid to Sigma Microsystems Private Limited, Subsidiary Company, **Rs. 99,19,000** (2008 - Rs.15,00,000) and interest receivable thereon **Rs. 4,06,878** (2008 - Rs.74,511)

6.2 **Add-on cost** is part of the cost of kind asset as prescribed by Accounting Standard for Subsidiary Companies issued by the Institute of Chartered Accountants of India, 2008. **Rs.56,535** (2008 - **Rs. Nil**) received/receivable on this account of the Company **Rs. Nil** (2008 - **Rs. Nil**) maximum amount due at any time during the year

1.8 **Revenue Recognition**

6.3 Deposits include the balance with NABARD deposited under the Tea Development Account Scheme, 1990 items of income and expenditure are recognized on accrual and prudent basis. **Rs. 1,31,47,945** (2008- **Rs. 33,00,000**).

1.9 **Replanting Subsidy**

7.1 The total remuneration paid/payable to Executive Chairman and Managing Director and charged in these accounts under various heads is recognized as income in the Profit and Loss Account in the year of receipt on prudent basis.

	2008-2009 Rs.	2007-2008 Rs.
1.10 Taxes on Income		
Salient 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 is reviewed at each Balance Sheet date to reassess realized	24,60,000	22,80,000
Contribution to Provident and other Funds	12,67,940	28,07,552
Corporate Income Tax	7,66,700	7,32,500
Asset Revaluation	6,50,047	5,69,901

2. Based on the Valuation Report submitted by Professional Valuer appointed for the purpose, Land and Planted Teas, Buildings and certain items of Plant and Machinery of the Company were revalued as at 31st March 2008 on the profit and loss basis and adjusted to the Depreciation on the Companies Accounts for the purpose of Commission payable to the Executive Chairman amounting to **Rs. 53,44,587** was added to cost with corresponding credit to Revaluation Reserve as at 31st March, 2008, as under :

	2008-2009 Rs.	2007-2008 Rs.
Profit before Taxation as per Profit and Loss Account	10,06,67,410	10,06,67,410
Add Material Remuneration	31,50,99,780	31,50,99,780
2. Directors' Fees and Commission	11,26,644	11,26,644
3. Depreciation	5,03,28,193	5,03,28,193
Total	53,65,54,617	53,65,54,617

Less :
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. 34,34,380** for the year. (Schedule 2)

3. **Commission Payable to**
(a) The Company issued and allotted on 5th December, 2008, 10,25,000 Equity Shares of Rs.10 each in the Company at Rs.100 per Equity Share to certain Foreign Institutional Investors on Preferential Allotment Basis as per SEBI (Disclosure & Investor Protection) Guidelines, 2000. The proceeds of **Rs.10,25,00,000** were fully utilized for the purpose as stated, for financing its ongoing projects viz. investment of Equity Shares of 51% formed for the purpose of acquiring various Hotels in India. **Rs. 14,67,840**

(b) Non-Executive Directors @ 1% thereof **Rs. 10,62,780**

4. Exchange Rate Variation Reserve created in earlier years representing recognition of gain/loss on External Commercial Borrowing (ECB) in Foreign Exchange outstanding at the year end amounting to **Rs. 90,61,000** till 31st March, 2008 has been transferred to the Profit and Loss Account. Unrealized Loss on Exchange as on 31st March, 2009 amounting to **Rs. 1,09,86,000** has been recognized as an exceptional item in the Profit and Loss Account for the year.

	2008-2009 Rs.	2007-2008 Rs.
8.1 Auditors' Remuneration	1,65,450	1,62,922
Audit Fees	16,854	16,854
5.1. Estimated amount of contracts remaining to be executed on Capital Account and not provided (net of advance) for Tax Audit Fees For Certification Job	61,798	51,687
5.2. The Company provides during the year a Corporate Guarantee to a Bank for securing the Fund based and Non Fund based working capital facilities to Sigma Microsystems Private Limited Subsidiary Company	4,000	2,000
Reimbursement of Expenses	2,48,102	2,39,463

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- 8.2** Miscellaneous Expenses include Audit Fees paid to Cost Auditors - **Rs. 56,180** (2007-2008 Rs. 56,180)
- 8.3** Miscellaneous Expenses also include contribution to Indian National Congress, a Political Party within the meaning of 293A of the Companies Act, 1956 - **Rs. 25,00,000** (2007-2008 - Nil)
- 8.4.** Repairs to Buildings in Schedule 16 is exclusive of salaries and wages amounting to **Rs. 13,42,307** (2007-2008 - Rs. 12,77,214), which have been included in Salaries, Wages and Bonus.
- 9.** The relevant information pursuant to the provisions of Paragraphs 3 and 4 of Part II of Schedule VI to the Companies Act, 1956 is given below:

9.1 Rossell Tea Division – Black Tea

	2008-2009	2007-2008
9.1.1 Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity (Kgs.)	50,00,000	50,00,000
(As estimated by the Management)		
9.1.2 Saleable Production (Kgs.)	41,67,296	44,39,053
9.1.3 Opening Stock (Kgs.)	1,00,510	1,75,924
- Value (Rs.)	75,73,438	1,23,66,534
Sales (including claims, damages samples etc.) (Kgs.)	41,85,013	45,14,467
- Value (Rs.)	53,63,51,889	46,99,51,055
Closing Stock (Kgs.)	82,793	1,00,510
- Value (Rs.)	72,76,881	75,73,438
9.1.4 (i) Raw Materials Consumed (Green Leaf) (Indigenous) (Kgs.)	1,79,41,733	1,84,32,586
(Own cultivation)- Value	Not required to be disclosed	Not required to be disclosed
(ii) Raw Materials Purchased and Consumed (Green Leaf) (Indigenous) (Kgs.)	64,563	7,86,468
- Value (Rs.)	6,25,005	78,06,468

9.2 Vankesh Avionics Technologies Division - Manufacturing, Design and Development of Avionics, Aviation and Electronic Equipments (w.e.f. 1st October, 2008 and therefore, previous year's figures are not available)

9.2.1 Licensed Capacity	Not Applicable
Installed Capacity	Not Ascertainable
9.2.2 Saleable Production	2 Units
9.2.3 Opening and Closing Stock of Finished Product	
- Value (Rs.)	Nil
Sales	2 Units
- Value (Rs.)	16,43,755
Closing Stock (Raw Materials)	
- Value (Rs.)	16,428

ROSSELL TEA LIMITED

Closing Work-in-Progress		
- Value (Rs.)	1,10,000	
9.2.4 Raw Materials Consumed (Indigenous)		
- Value (Rs.)	11,15,070	
Note : In view of numerous items it is not possible to provide for the required quantitative information.		
9.3 Stores and Spares Consumed and debited to various heads of Account in the Profit and Loss A/c (Indigenous) (Rs.)	9,36,98,235	6,13,87,075
9.4 Expenditure in Foreign Currency (Rs.)		
Foreign Travel	29,44,451	28,73,048
Commission on Sales	10,73,347	13,97,297
Subscription	29,358	74,058
Interest on Foreign Currency		
Term Loan (Net of TDS)	19,13,728	40,74,773
9.5 Earnings in Foreign Currency		
F.O.B. Value of Export Sales	8,01,21,430	7,98,97,941
Receipts for Technical and Support Services	2,83,79,341	2,92,27,506
9.6 Value of Imports calculated on C.I.F. Basis		
Capital Goods	34,63,200	-
10. Remittance in Foreign Currency on account of Dividend :		
Amount (Rs.)	1,37,500	-
Number of Non-Resident Shareholders	1	-
Number of Shares held by the Non-Resident Shareholders on which the Dividend was due	1,10,000	-
Year to which the Dividend relates	Year ended	-
	31st March, 2008	-
11. Segment Information for the year ended 31st March, 2009		
1. Business Segments:		
In terms of AS-17- Segment Reporting issued by the Institute of Chartered Accountants of India, the Company has following Business Segments as Primary Segment for disclosure.		
A. Cultivation, Manufacture and Sale of Tea by Rossell Tea Division		
B. Technical and Support Services by Aerotech Services Division.		
C. Design and Development of Avionics Equipments by Vankesh Avionics Technologies Division with effect from 1st October, 2008.		
2. Revenue:	2008-2009	2007-2008
	Rs.	Rs.
A. Cultivation, Manufacture and Sale of Tea	55,64,11,352	49,72,56,763
B. Technical and Support Services	3,83,78,398	6,42,61,931
C. Design and Development of Avionics Equipments	16,43,755	-
	59,64,33,505	56,15,18,694
Less: Inter Segment Revenue	3,01,233	12,75,763
Total Revenue	59,61,32,272	56,02,42,931

ROSSELL TEA LIMITED

3. Results

A. Cultivation, Manufacture and Sale of Tea	13,18,14,379	21,58,68,126
B. Technical and Support Services	1,42,65,863	3,75,28,581
C. Design and Development of Avionics Equipments	<u>(55,12,217)</u>	<u>—</u>
	14,05,68,025	25,33,96,707
Less: i) Un-allocated expenses, net of un-allocated Income	—	—
Profit (Loss) on Sale of Investments	(79,67,095)	13,67,485
Unrealized loss on exchange	(1,09,80,000)	38,90,000
ii) Interest Net of subsidy	(2,09,53,520)	(1,11,53,618)
Profit before Taxation	<u>10,06,67,410</u>	<u>24,75,00,574</u>

4. Segment Assets

A. Cultivation, Manufacture and Sale of Tea	1,46,65,65,587	1,25,57,84,744
B. Technical and Support Services	5,63,58,617	5,77,23,742
C. Design and Development of Avionics Equipments	87,60,558	—
	<u>1,53,16,84,762</u>	<u>1,31,35,08,406</u>

5. Segment Liabilities

A. Cultivation, Manufacture and Sale of Tea	8,61,75,472	9,27,89,672
B. Technical and Support Services	10,74,340	17,07,202
C. Design and Development of Avionics Equipments	5,45,494	—
	<u>8,77,95,306</u>	<u>9,44,96,874</u>

6. Capital Expenditure

A. Cultivation, Manufacture and Sale of Tea	2,87,49,268	1,32,49,969
B. Technical and Support Services	50,89,395	30,36,107
C. Design and Development of Avionics Equipments	4,15,987	—
	<u>3,42,54,650</u>	<u>1,62,86,076</u>

7. Depreciation (Net of Adjustment with Revaluation Reserve)

A. Cultivation, Manufacture and Sale of Tea	1,27,30,614	1,31,06,196
B. Technical and Support Services	8,97,534	5,43,784
C. Design and Development of Avionics Equipments	33,209	—
	<u>1,36,61,357</u>	<u>1,36,49,980</u>

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

ROSSELL TEA LIMITED

a) Name of related party and nature of relationship:

Enterprises where Control Exists	-	Sigma Microsystems Private Limited, Subsidiary Company Rossell Aviation Private Limited, Subsidiary Company (Fully Owned), with effect from 4th February, 2008.
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 Limited Harvin Estates Private Limited

b) Particulars of transactions during the year ended 31st March, 2009

Nature of transaction	2008-2009	2007-2008
With Enterprises where Control exists	Rs.	Rs.
1. Investment in Equity Share Capital	50,000	—
2. Advance recoverable	56,535	—
3. Net decrease in Inter Corporate Deposit	24,90,000	—
4. Net increase in Inter Corporate Deposit	—	85,00,000
5. Interest received / receivable on Interest Corporate Deposit	6,58,582	9,66,013
Key Management Personnel and relatives		
1. Dividend Paid	9,33,696	—
2. Unsecured Loan taken (Net)	—	5,30,60,000
3. Unsecured Loan repaid (Net)	3,07,00,000	—
4. Interest paid on Unsecured Loans taken	39,13,793	44,23,180
5. Rent for Residential Accommodation	4,20,000	4,20,000
6. Remuneration Paid	53,44,587	63,80,053
7. Purchase of Equity Shares of Rossell Aviation Pvt. Ltd. (Subsidiary Company)	50,000	—
8. Remuneration Paid to relative	5,70,239	1,35,000
Holding Company		
1. Dividend Paid	58,15,636	—
2. Net increase in Inter Corporate Deposit	1,92,70,307	—
3. Net decrease in Inter Corporate Deposit	—	1,83,50,000
4. Interest paid / payable on Inter Corporate Deposit	7,87,397	6,52,370
Enterprises where significant influence is Exercisable		
1. Dividend Paid	1,19,974	—
2. Rent Paid for Office Space	6,00,000	6,00,000

ROSSELL TEA LIMITED

- | | | | |
|----|--|-------------|-----------|
| 3. | Net decrease in Inter Corporate Deposit | 4,64,15,000 | – |
| 4. | Net increase in Inter Corporate Deposit | – | 48,50,000 |
| 5. | Interest paid / payable on Inter Corporate Deposit | 11,11,875 | 37,59,726 |
13. The Company adopted the Accounting Standard AS-22 – Accounting for taxes on Income, in earlier years and recognized Deferred Tax Credit (net) amounting to Rs. 1,34,00,000 as on 31st March, 2008. During the year, a review with respect to the carrying amount of Deferred Tax Asset was done and the carrying amount of Deferred Tax Asset in the Balance Sheet as on 31st March, 2009 was revised to Rs. 21,00,000 comprising of the following:

	Rs.
Deferred Tax Asset	
Employees' Benefits	33,00,000
Deferred Tax Liability	
Depreciation as per Books and Tax Laws	12,00,000
	21,00,000

14. A new Division namely Vankesh Avionics Technologies Division was created on and from 1st October, 2008 for taking up the business of manufacturing, design and development of avionics, aviation and electronic equipments. Since these accounts include the working results of this new Division also, the current year's figures are not comparable with those of the previous year:

15. Defined Benefit Plans

In compliance with AS-15 (Revised) - Employee Benefits issued by the Institute of Chartered Accountants of India, an Actuarial Valuations were carried out in respect of Defined Benefit Schemes namely Pension, Gratuity and Leave Encashment as on 31st March, 2009. Thus, the amount recognised in the financial statements in respect of these Schemes as per Actuarial Valuation as on 31st March, 2009 are as under:

(Rs.)

	Pension - Funded		Gratuity - Funded		Leave Encashment - Non Funded	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
I Components of Employer Expense						
1 Current Service Cost	22,35,832	22,59,518	45,06,826	39,29,297	2,20,000	4,23,000
2 Interest Cost	6,01,719	7,35,235	92,34,382	85,98,940	1,33,000	1,03,000
3 Expected Return on Plan Assets	(2,00,112)	(1,94,210)	(31,32,398)	(36,38,206)	–	–
4 Curtailment Cost/(Credit)	–	–	–	–	–	–
5 Settlement Cost/(Credit)	–	–	–	–	–	–
6 Past Service Cost	78,276	–	6,84,125	–	–	–
7 Actuarial Losses/(Gains)	(28,50,687)	(32,92,215)	(53,03,838)	(22,18,614)	(1,90,000)	2,93,000
8 Total expense recognised in the Statement of Profit & Loss Account	(1,34,972)	(4,91,672)	59,89,097	66,71,417	1,63,000	8,19,000
The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and Other Funds" and Leave Encashment in "Salaries, Wages and Bonus" under Schedule 16.						

ROSSELL TEA LIMITED

(Rs.)

	Pension - Funded		Gratuity - Funded		Leave Encashment - Non Funded	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
II Net Asset/(Liability) recognised in Balance Sheet						
1 Present Value of Defined Benefit Obligation	82,37,587	80,22,920	5,88,21,646	5,45,16,355	18,02,000	17,38,000
2 Fair Value on Plan Assets	50,96,067	27,46,428	5,22,98,213	4,25,36,727	-	-
3 Status [Surplus/(Deficit)]	(31,41,520)	(52,76,492)	(65,23,433)	(1,19,79,628)	(18,02,000)	(17,38,000)
4 Unrecognised Past Service Cost	-	-	6,84,125	-	-	-
5 Net Asset/(Liability) recognized in Balance Sheet (Pending Funding with the Trustees)	(31,41,520)	(52,76,492)	(72,07,558)	(1,19,79,628)	(18,02,000)	(17,38,000)
III Change in Defined Benefit Obligations (DBO)						
1 Present Value of DBO at the Beginning of the Year	80,22,920	90,53,000	5,45,16,355	5,16,21,713	17,38,000	10,00,000
2 Current Service Cost	22,35,832	22,59,518	45,06,826	39,29,297	2,20,000	4,23,000
3 Interest Cost	6,01,719	7,35,235	92,34,382	85,98,940	1,33,000	1,03,000
4 Curtailment Cost/(Credit)	-	-	-	-	-	-
5 Settlement Cost/(Credit)	-	-	-	-	-	-
6 Plan Amendments	-	-	-	-	-	-
7 Acquisitions	-	-	-	-	-	-
8 Actuarial (Gains)/Losses	(26,22,884)	(32,18,493)	(41,56,939)	(22,18,614)	(1,90,000)	2,93,000
9 Benefits Paid	-	(8,06,340)	(52,78,978)	(74,14,981)	(99,000)	(81,000)
10 Present Value of DBO at the End of the Year	82,37,587	80,22,920	5,88,21,646	5,45,16,355	18,02,000	17,38,000
IV Change in Fair Value of Assets						
1 Plan Assets at the Beginning of the Year	26,68,152	22,84,835	4,25,36,727	3,96,42,085	-	-
2 Acquisition Adjustment	-	-	-	-	-	-
3 Actual Return on Plan Assets	2,00,112	1,94,210	31,32,398	36,38,206	-	-
4 Actuarial Gains/(Losses)	2,27,803	(5,413)	11,46,899	-	-	-
5 Actual Company Contribution	20,00,000	10,00,000	1,07,61,167	66,71,417	-	-
6 Benefits Paid	-	(8,05,480)	(52,78,978)	(74,14,981)	99,000	81,000
7 Plan Assets at the End of the Year	50,96,067	26,68,152	5,22,98,213	4,25,36,727	-	-
V Principal Actuarial Assumptions used (common for all valuations)						
1 Discount Rate (%)					7.50	8.50
2 Expected Return on Plan Assets (%)					7.50	8.50
3 Expected Salary increase rates					5.00	5.00
4 Mortality rates					LICI (1994-96)	LICI (1994-96)
VI Major Category of Plan Assets as a % of the Total Plan Assets						
1 Government Securities/Special Deposit with RBI	30.87	31.73	54.97	59.71		
2 PSU Bonds	30.49	27.54	32.56	35.14		
3 Insurance Companies	31.68	36.41	4.83	-		
4 Cash and Cash Equivalents	6.96	4.32	7.64	5.15		

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

ROSSELL TEA LIMITED

held to maturity, along with the estimated incremental investments to be made during the year.

16. Earnings per Equity Share

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

	2008-2009	2007-2008
	Rs.	Rs.
(a) Profit after Taxation	6,96,17,410	20,98,00,574
(b) Weighted average number of Equity Shares outstanding	66,42,857	63,14,295
(c) Earnings per Share	10.48	33.23

17. 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, 2009.

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

C.S.Bedi
Managing Director

H.M.Parekh
Director

H. M. Gupta
Executive Chairman

R.N.Deogun
Director

P.L.Agarwal
Director

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

Place : Kolkata
Date : 11th June, 2009

ROSSELL TEA LIMITED

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	63513	State Code	21
Balance Sheet Date	31.03.2009		

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

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

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

Total Liabilities		Total Assets	
Source of Funds	14,70,883	Application of Funds	14,70,883
Paid-up Capital	73,392	Net Fixed Assets	10,86,020
Reserves and Surplus	10,94,598	Investments	2,27,351
Secured Loans	1,65,165	Deferred Tax Asset	2,100
Unsecured Loans	49,932	Net Current Assets,	
Current Liabilities and Provisions	87,796	Loans and Advances	1,55,412

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

Turnover	5,75,178
Other Income	20,954
Total Expenditure	4,95,465
Profit Before Tax	1,00,667
Profit After Tax	69,617
Earnings per Share (in Rs.)	10.48
Dividend Rate (%)	15.00

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

Product Description Item Code No. (ITC Code)

Black Tea	09.02
Aerotech Services	
Design & Development of Avionics Equipments	

C.S.Bedi
Managing Director
H.M.Parekh
Director

H. M. Gupta
Executive Chairman
R.N.Deogun
Director

P.L.Agarwal
Director

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

Place : Kolkata
Date : 11th June, 2009

ROSSELL TEA LIMITED

Cash Flow Statement for the year ended 31st March,2009

	2008-2009		2007-2008	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities				
Profit before Tax and Extraordinary items		10,06,67,410		24,75,00,574
Adjustment for :				
Depreciation	1,36,61,357		1,36,49,980	
Interest (Net)	2,09,53,520		1,11,53,618	
Loss on Disposal of Fixed Assets (Net)	11,72,846		86,281	
Profit on sale of Property	-		(11,98,00,898)	
Unrealised Loss (Gain) on Exchange	1,09,80,000		(38,90,000)	
Liabilities written back	(16,25,467)		-	
Loss (Profit) on sale of Investments	79,67,095		(13,67,485)	
		5,31,09,351		(10,01,68,504)
		15,37,76,761		14,73,32,070
Items Considered in Investing Activity :				
Interest on Deposits etc.	(31,86,092)		(25,79,048)	
Dividend	(2,54,101)		(3,07,077)	
		(34,40,193)		(28,86,125)
Operating Profit before Working Capital Changes		15,03,36,568		14,44,45,945
Adjustment for :				
Current Assets	(4,06,65,133)		(2,61,24,092)	
Current Liabilities	(83,83,706)		1,64,50,694	
		(4,90,48,839)		(96,73,398)
Cash Generated from Operations		10,12,87,729		13,47,72,547
Interest Paid	(2,09,53,520)		(1,11,53,618)	
Direct Taxes (Net of refund)	(2,00,88,047)		(1,83,79,624)	
		(4,10,41,567)		(2,95,33,242)
Cash Flow before Extraordinary Items		6,02,46,162		10,52,39,305
Extraordinary Items		-		-
Net Cash Flow from Operating Activities		6,02,46,162		10,52,39,305
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets including Advances for Capital Assets		(3,47,64,040)		(4,31,44,889)
Sale of Fixed Assets (Net of earnest Money)		4,74,162		9,25,62,584
Sale of Investments		4,86,76,739		4,19,52,412
Purchase of Investments		(20,55,24,711)		(9,59,73,795)
Compensation received from acquisition of Land		-		8,62,627
Interest Received		31,86,092		25,79,048
Dividend Received		2,54,101		3,07,077
Net Cash Flow from Investing Activities		(18,76,97,657)		(8,54,936)

ROSSELL TEA LIMITED

	2008-2009		2007-2008	
	Rs.	Rs.	Rs.	Rs.
C. Cash Flow from Financing Activities				
Proceeds of Equity Share Capital, including Securities Premium	10,25,00,000			–
Intercompany deposits(ICD) (repaid) /taken including interest accrued thereon	(5,78,67,241)		3,26,76,713	
Repayment of External Commercial Borrowings	–		(4,33,20,000)	
Proceeds of Short Term Loans from Banks(Net)	8,26,97,796			–
Proceeds of Short Term Borrowings from Bank (Net)	1,35,11,726		(10,22,62,411)	
Dividend Paid and Tax thereon	(92,34,262)			–
Net Cash Flow from Financing Activities	13,16,08,019		(11,29,05,698)	
Net Increase in Cash and Cash Equivalents (A+B+C)	41,56,524		(85,21,329)	
Cash and Cash Equivalents as at 31.03.2008 (Opening Balance)	37,91,685		1,23,13,014	
Cash and Cash Equivalents as at 31.03.2009 (Closing Balance)	79,48,209		37,91,685	

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

In terms of our Report of even date

For S. S. Kothari & Co.,
Chartered Accountants,

R.K. Roy Chaudhury
Partner

H.M. Gupta
Executive Chairman

H.M. Parekh
Director

R.N. Deogun
Director

Place : Kolkata
Date : 11th June, 2009

C.S. Bedi
Managing Director

P. L. Agarwal
Director

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

Statement Regarding Subsidiary Companies

Pursuant to Section 212 of the Companies Act, 1956

i) Sigma Microsystems Private Limited

- (A) The Financial Year of the Subsidiary Company ended on : 31st March, 2009
- (B) Holding Company's Interest
- (a) Number and face value : 5,62,500 Equity Shares of Rs.10 each fully paid
- (b) Extent of holding : 56.25%
- (C) Net aggregate amount of Subsidiary's Profit (Loss), so far as it concerns Members of the Holding Company and not dealt with in the Holding Company's Accounts:
- i) for the Subsidiary's financial year ended 31st March, 2009 : (Rs. 57,64,810)
- ii) for its previous financial year : Rs. 68,90,698
- (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, 2009 : Nil
- ii) for its previous financial year : Nil

ii) Rossell Aviation Private Limited

- (A) The Financial Year of the Subsidiary Company ended on : 31st March, 2009
- (B) Holding Company's Interest
- a) Number and face value : 10,000 Equity Shares of Rs.10 each fully paid.
- (b) Extent of holding : 100%
- (C) Net aggregate amount of Subsidiary's Profit (Loss), so far as it concerns Members of the Holding Company and not dealt with in the Holding Company's Accounts:
- i) for the Subsidiary's financial year ended 31st March, 2009 : (Rs. 5,715)
- ii) for its previous financial year : Not Applicable
- (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:
- ii) for the Subsidiary's financial year ended 31st March, 2009 : Nil
- ii) for its previous financial year : Not Applicable

H.M. Gupta
Executive Chairman

H.M. Parekh
Director

R.N. Deogun
Director

C.S. Bedi
Managing Director

P. L. Agarwal
Director

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

Place : Kolkata
Date : 11th June, 2009

ROSSELL TEA LIMITED

Report of the Auditors to the Board of Directors of Rossell Tea Limited.

We have audited the attached Consolidated Balance Sheet of Rossell Tea Limited and its subsidiaries, Sigma Microsystems Private Limited and Rossell Aviation Private Limited as at 31st March 2009, Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These Consolidated Financial Statements are the responsibility of Rossell Tea Limited's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

We have not audited the financial statements of subsidiaries, Sigma Microsystems Private Limited and Rossell Aviation Private Limited whose financial statements reflect total assets of Rs.495.22 lacs as at 31st March 2009 and total revenues of Rs.195.05 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

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

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

- (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Rossell Tea Limited and its subsidiaries as at 31st March, 2009,
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results (profit) of operations of Rossell Tea Limited and its subsidiaries for the year ended on that date.
- (c) in the case of the Consolidated Cash Flow Statement of the cash flows for the year ended on that date.

For S.S.Kothari & Co.
Chartered Accountants

R.K.Roy Chaudhury
Partner
Membership No.8816

Place : Kolkata
Date : 11th June, 2009

ROSSELL TEA LIMITED

Consolidated Balance Sheet as at 31st March, 2009

	Schedule	As on 31.03.2009		As on 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1		7,33,92,950		6,31,42,950
Reserves and Surplus	2		1,09,55,73,629		95,59,35,427
			<u>1,16,89,66,579</u>		<u>1,01,90,78,377</u>
Loan Funds					
Secured Loans	3		17,19,75,225		5,88,23,946
Unsecured Loans	4		6,03,01,378		11,60,69,222
			<u>23,22,76,603</u>		<u>17,48,93,168</u>
Minority Interest					
			51,38,386		97,34,431
T O T A L					
			<u>1,40,63,81,568</u>		<u>1,20,37,05,976</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5		1,19,77,40,727		1,16,77,96,140
Less: Depreciation			11,22,00,521		9,75,58,312
Net Block			1,08,55,40,206		1,07,02,37,828
Capital Work-in-Progress			50,43,987		50,43,047
			<u>1,09,05,84,193</u>		<u>1,07,52,80,875</u>
Goodwill					
			1,69,31,501		1,69,31,251
Deferred Tax Asset					
			16,85,885		1,31,49,459
Investments					
	6		20,46,95,100		5,59,14,472
Current Assets, Loans and Advances					
Inventories	7	3,53,75,601		3,00,68,436	
Sundry Debtors	8	2,31,24,245		4,15,49,224	
Cash & Bank Balances	9	1,09,97,957		47,11,799	
Other Current Assets	10	1,65,16,009		1,58,31,809	
Loans & Advances	11	9,94,26,524		4,95,91,303	
		<u>18,54,40,336</u>		<u>14,17,52,571</u>	
Less: Current Liabilities and Provisions					
Current Liabilities	12	7,46,86,402		8,42,29,825	
Provisions	13	1,83,26,751		1,50,92,827	
		<u>9,30,13,153</u>		<u>9,93,22,652</u>	
Net Current Assets					
			9,24,27,183		4,24,29,919
Miscellaneous Expenditure					
Preliminary Expenses			57,706		—
T O T A L					
			<u>1,40,63,81,568</u>		<u>1,20,37,05,976</u>

Notes on Consolidated Accounts 18

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

In terms of our Report of even date

For S.S.Kothari & Co.
Chartered Accountants

R.K.Roy Chaudhury
Partner

Place: Kolkata
Date: 11th June, 2009

C.S.Bedi
Managing Director
H.M.Parekh
Director

H. M. Gupta
Executive Chairman
R.N.Deogun
Director

P.L.Agarwal
Director
N.K.Khurana
Vice-President (Finance)
Cum Company Secretary

ROSSELL TEA LIMITED

Consolidated Profit and Loss Account for the year ended 31st March, 2009

	Schedule	2008-2009 Rs.	2007-2008 Rs.
INCOME			
Sales		55,84,37,302	51,17,47,512
Less: Excise Duty		12,41,427	50,60,816
		<u>55,71,95,875</u>	<u>50,66,86,696</u>
Receipts for Technical and Support Services		3,71,82,199	6,20,66,609
Other Income	14	2,06,00,641	2,24,39,263
		<u>61,49,78,715</u>	<u>59,11,92,568</u>
EXPENDITURE			
(Increase) Decrease in Stock	15	(57,97,826)	31,00,096
Expenses	16	47,52,98,887	43,63,77,783
Interest	17	2,19,88,155	1,15,61,869
Depreciation		1,41,29,260	1,45,34,116
		<u>50,56,18,476</u>	<u>46,55,73,864</u>
PROFIT BEFORE EXCEPTIONAL ITEMS			
Profit (Loss) on Sale of Investment		(79,67,095)	13,67,485
Unrealised Gain (Loss) on Exchange		(1,09,80,000)	38,90,000
Profit on Sale of Property		-	11,98,00,898
PROFIT BEFORE TAXATION			
		9,04,13,144	25,06,77,087
Fringe Benefit Tax		13,43,120	9,88,650
Provision for Current Taxation		1,85,00,000	2,16,00,280
Deferred Taxation Adjustment		1,14,63,574	1,63,27,584
PROFIT AFTER TAXATION			
		5,91,06,450	21,17,60,573
Balance brought forward		4,25,67,365	(5,07,09,515)
Transfer from Exchange Rate Variation Reserve		90,61,000	-
Transfer from /(to) Minority Interest		45,96,045	(53,59,431)
PROFIT AVAILABLE FOR APPROPRIATION			
		<u>11,53,30,860</u>	<u>15,56,91,627</u>
APPROPRIATION			
Transfer to Exchange Rate Variation Reserve		-	38,90,000
Transfer to General Reserve		8,00,00,000	10,00,00,000
Dividend on Equity Shares		1,10,08,943	78,92,869
Tax on Dividend		18,70,970	13,41,393
Balance carried forward		2,24,50,947	4,25,67,365
		<u>11,53,30,860</u>	<u>15,56,91,627</u>
Basic and Diluted Earnings per Equity Share		9.59	33.40
Notes on Consolidated Accounts		18	

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

In terms of our Report of even date

For S.S.Kothari & Co.
Chartered Accountants
R.K.Roy Chaudhury
Partner

C.S.Bedi
Managing Director
H.M.Parekh
Director

H. M. Gupta
Executive Chairman
R.N.Deogun
Director

P.L.Agarwal
Director
N.K.Khurana
Vice-President (Finance)
Cum Company Secretary

Place: Kolkata
Date: 11th June, 2009

ROSSELL TEA LIMITED

Schedules to the Consolidated Balance Sheet as at 31.03.2009

SCHEDULE 1	As on 31.03.2009	As on 31.03.2008
CAPITAL	Rs.	Rs.
Authorised		
90,00,000 (2008 - 90,00,000) Equity Shares of Rs.10 each	<u>9,00,00,000</u>	<u>9,00,00,000</u>
	<u>9,00,00,000</u>	<u>9,00,00,000</u>
Issued & Subscribed		
73,39,295 (2008 - 63,14,295) Equity Shares of Rs. 10 each fully paid up	<u>7,33,92,950</u>	<u>6,31,42,950</u>
	<u>7,33,92,950</u>	<u>6,31,42,950</u>

Notes :

1. Of the above 30,35,717 Equity Shares have been issued for consideration other than cash and 17,77,778 Equity Shares have been issued during the year by way of conversion of 4,00,000 9% Redeemable Preference Shares of Rs. 100 each.
2. During the year 10,25,000 Equity Shares were issued in Cash on Preferential Allotment basis to certain Foreign Institutional Investors.
3. Of the above 46,52,509 (2008- 46,52,509) Equity Shares are held by BMG Enterprises Ltd., the Holding Company.

SCHEDULE 2

RESERVES AND SURPLUS

Securities Premium Account

Balance as per last Account	16,87,04,823	16,87,04,823
Add: Received during the year	<u>9,22,50,000</u>	<u>-</u>
	<u>26,09,54,823</u>	<u>16,87,04,823</u>

Capital Reserve

Balance as per last Account	2,25,45,443	2,16,82,816
Add: Compensation received for acquisition of Land	<u>-</u>	<u>8,62,627</u>
	<u>2,25,45,443</u>	<u>2,25,45,443</u>

Revaluation Reserve

Balance as per last account	53,65,54,617	-
Added on Revaluation	<u>-</u>	<u>53,65,54,617</u>
	<u>53,65,54,617</u>	<u>53,65,54,617</u>

Less: Withdrawal on account of depreciation on incremental amounts upon revaluation	<u>34,34,380</u>	<u>-</u>
	<u>53,31,20,237</u>	<u>53,65,54,617</u>

General Reserve

Balance as per last Account	17,65,02,179	9,52,49,972
Adjustment with Profit and Loss Account	<u>-</u>	<u>-</u>
	<u>17,65,02,179</u>	<u>9,52,49,972</u>
Less: Other Adjustments	<u>-</u>	<u>1,87,47,793</u>
	<u>17,65,02,179</u>	<u>7,65,02,179</u>
Add: Transfer from Profit and Loss Account	<u>8,00,00,000</u>	<u>10,00,00,000</u>
	<u>25,65,02,179</u>	<u>17,65,02,179</u>

Exchange Rate Variation Reserve

Balance as per last Account	90,61,000	51,71,000
Add: Transfer from Profit and Loss Account	<u>-</u>	<u>38,90,000</u>
Less: Transfer to Profit and Loss Account	<u>90,61,000</u>	<u>-</u>
	<u>-</u>	<u>90,61,000</u>

Surplus in Profit and Loss Account

<u>2,24,50,947</u>	<u>4,25,67,365</u>
<u>1,09,55,73,629</u>	<u>95,59,35,427</u>

ROSSELL TEA LIMITED

SCHEDULE 3	As on 31.03.2009	As on 31.03.2008
SECURED LOANS	Rs.	Rs.
From Banks		
Foreign Currency Term Loan		
External Commercial Borrowing from The Bank of Beirut (U.K.) Ltd. [Secured by equitable mortgage of Dikom T.E. pari passu with State Bank of India and equitable mortgage of Bokakhat T.E.pari passu with IndusInd Bank Ltd.]	5,09,50,000	3,99,70,000
Rupee Term Loan		
Term Loan from HDFC Bank Ltd. [Secured by hypothecation of tea crop and movable assets of Nokhroy, Nagrijuli and Romai T.Es.and collaterally secured by equitable mortgage of Nokhroy T.E.]	5,00,00,000	–
Term Loan from Development Credit Bank Ltd. [Secured by Subservient Charge on the Current Assets of the Company]	3,00,00,000	–
Car Loan from HDFC Bank Ltd [Secured by hypothecation of Motor Car financed by them]	26,97,796	–
Cash Credit Accounts		
HDFC Bank Ltd. [Secured by hypothecation of tea crop and movable assets of Nokhroy, Nagrijuli and Romai T.Es.and collaterally secured by equitable mortgage of Nokhroy T.E.]	1,32,20,329	31,98,642
State Bank Of India [Secured by hypothecation of tea crop and movable assets of Dikom T.E. and collaterally secured by equitable mortgage of Dikom T.E. pari passu with The Bank of Beirut (U.K.) Ltd.]	1,02,82,957	47,10,216
IndusInd Bank Limited [Secured by hypothecation of tea crop and movable assets of Bokakhat T.E.and collaterally secured by equitable mortgage of Bokakhat T.E. pari passu with The Bank of Beirut (U.K.) Ltd.]	1,48,24,143	1,09,45,088
	<u>17,19,75,225</u>	<u>5,88,23,946</u>
SCHEDULE 4		
UNSECURED LOANS		
Intercompany Deposits	2,59,35,307	5,30,80,000
Loan from Managing Director (Executive Chairman)	2,29,50,000	5,36,50,000
Loan from Directors of Subsidiary	1,03,69,397	82,70,000
Interest accrued and due thereon	10,46,674	10,69,222
	<u>603,01,378</u>	<u>11,60,69,222</u>

ROSSELL TEA LIMITED

SCHEDULE -5

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost/Revalued as at 31.03.08	Additions During the Year	Disposal During the Year	Increase on Revaluation	Cost/Revalued as at 31.03.09	As at 31.03.08	Addition for the Year	Written back / Adjustments during the Year	As at 31.03.09	As at 31.03.08
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land & Planted Teas	65,63,07,677	90,84,832	-	-	66,53,92,509	-	-	-	66,53,92,509	65,63,07,677
Buildings	27,91,66,690	56,52,185	-	-	28,48,18,875	1,70,14,890	55,07,691	-	2,25,22,561	26,22,96,294
Plant & Machinery	18,41,90,561	93,21,726	1,21,528	-	19,33,90,759	5,78,46,070	79,74,415	-	6,58,20,485	12,75,70,274
Furniture & Fittings	1,06,81,754	3,87,938	2,30,895	-	1,08,38,797	47,02,578	6,69,034	51,049	53,20,563	55,18,234
Vehicles	2,35,49,054	88,63,577	39,15,658	-	2,84,96,973	1,08,04,422	25,12,117	25,38,834	1,07,77,705	1,27,44,632
Office & Other Equipment	1,39,00,404	11,45,213	2,42,803	-	1,48,02,814	71,90,352	9,00,383	3,31,548	77,59,187	70,43,627
	1,16,77,96,140	3,44,55,471	45,10,884	-	1,19,77,40,727	9,75,58,312	1,75,63,640	29,21,431	11,22,00,521	10,85,40,206
Previous Year	61,95,23,205	1,90,00,384	72,82,066	53,65,54,617	1,16,77,96,140	8,71,04,096	1,46,34,116	40,79,900	9,75,58,312	1,07,02,37,828

Note: Disposal during the year under Plant & Machinery represents Rs.1,21,528 received from Tea Board against Fixed Assets added during the year 2007-2008

ROSSELL TEA LIMITED

SCHEDULE 6 INVESTMENTS	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
At Cost		
Long Term Investments		
Trade Investments: Unquoted		
In Shares, Debentures or Bonds		
50,000 (2008- 50,000) Equity Shares of Rs.10 each fully paid up of Assam Hospitals Limited	5,00,000	5,00,000
83,305 (2008- Nil) Equity Shares of Rs.1 each fully paid up of Celsia Hotels Private Limited	12,50,00,805	-
19,26,000 (2008- Nil) Equity Shares of Rs.1 each fully paid up of PSK Resorts & Hotels Private Limited	5,20,02,000	-
100 (2008- Nil) Equity Shares of Singapore\$ 1 each fully paid up of RV Enterprizes Pte. Ltd.	3,355	-
Other Investments: Unquoted		
In Shares, Debentures or Bonds		
500 5.50% Non-Convertible Redeemable Taxable Bonds Series VII of Rs. 10,000 each of Rural Electrification Corporation Ltd.	50,00,000	50,00,000
In Units		
Face value Rs.10 each Nil (2008- 64,117.769) Kotak Liquid (Institutional)-Dividend	-	6,42,830
2,75,908.7964 (2008 - Nil) Kotak Floater Short Term (G)	39,66,331	-
Nil (2008-12,22,500) DSP Merrill Lynch World Gold Fund-Growth	-	12,50,006
1,50,000(2008- 1,50,000) Sundaram BNP Paribas Energy Opportunities Fund- Dividend	15,00,000	15,00,000
Nil (2008-2,50,000) Kotak Global Emerging Market Fund-Growth	-	25,00,000
Other Investments: Quoted		
In Shares, Debentures or Bonds		
Fully Paid Equity Shares of Rs.10 each		
13,840 (2008- 13,840) Mysore Petro Chemicals Limited	7,49,793	7,49,793
2,878 (2008-1,10,000) HDFC Bank Ltd. (Formerly known as Centurian Bank of Punjab Ltd.)	45,70,348	60,65,000
8,504 (2008-4,888) ICICI Bank Ltd.	23,41,686	56,93,113
Nil (2008-1,350) Mundra port and Special Economic Zone Ltd.	-	11,88,006
Nil (2008-1,000) Mahindra & Mahindra Ltd.	-	6,44,041
9,000 (2008-9,000) Power Grid Corporation of India Ltd.	11,63,408	11,63,408
Nil (2008-2,700) Reliance Industries Ltd.	-	71,59,066
Nil (2008-7,500) Reliance Petroleum Ltd.	-	14,58,174
6,765 (2008-4,943) Infrastructure Development Finance Co. Ltd.	7,45,985	9,63,982

ROSSELL TEA LIMITED

SCHEDULE 6 (Contd.)	As on 31.03.2009	As on 31.03.2008
	Rs.	Rs.
Nil (2008-1,000) Kotak Mahindra Bank Ltd.	–	10,64,731
4,500 (2008-4,500) NTPC Ltd.	10,46,294	10,46,294
175 (2008-100) State Bank of India	2,92,490	2,24,276
79 (2008-600) Tata Power Ltd.	48,121	7,84,338
Nil (2008-1,205) Bharat Petroleum Ltd.	–	4,84,446
Nil (2008-994) CESC Ltd.	–	5,59,181
Nil (2008-231) Container Corporation of India Ltd.	–	3,67,613
1,544 (2008-1,576) Gujrat Narmada Fertiliser Ltd.	2,32,160	2,36,945
Nil (2008-1,804) Hindustan Petroleum Corporation Ltd.	–	5,18,575
Nil (2008-3,236) NIIT Ltd.	–	4,40,629
655 (2008-1,233) Rallis India Ltd.	2,71,930	4,82,729
Nil (2008-1,161) Tata Motors Ltd.	–	8,99,021
Nil (2008-913) Tata Tea Ltd.	–	7,75,384
Nil (2008-940) Television Eighteen India Ltd.	–	4,51,182
Nil (2008-1,506) Tata Communications Ltd.	–	7,10,570
502 (2008-Nil) Reliance Capital Ltd.	1,56,652	–
148 (2008-Nil) Bharti Airtel Ltd.	82,153	–
1,590 (2008-Nil) Cairn India Ltd.	2,51,171	–
Fully Paid Equity Shares of Rs.5 each		
Nil (2008-2,000) Reliance Communications Ltd.	–	14,05,449
2,138 (2008-2,021) Network 18 Media & Investments Ltd.	7,10,792	6,73,050
Nil (2008-337) Network 18 Media & Investments Ltd.-PCCPS	–	50,620
Fully Paid Equity Shares of Rs.2 each		
Nil (2008-850) Divi's laboratories Ltd.	–	12,22,826
5,000 (2008-5,000) GMR Infrastructure Ltd.	8,97,642	8,97,642
3,500 (2008-3,500) Jaiprakash Associates Ltd.	11,97,616	11,97,616
1,460 (2008-600) Larsen & Toubra Ltd.	22,34,354	20,84,808
1,000 (2008-1,000) Punj Lloyd Ltd.	4,40,106	4,40,106
Nil (2008-322) Financial Technologies Ltd.	–	8,29,533
Nil (2008 - 949) Gammon India Ltd.	–	5,20,486
Nil (2008-2,489) Max india Ltd.	–	5,87,977
Fully Paid Equity Shares of Rs.1 each		
Nil (2008-400) Jindal Steel and Power Ltd.	–	9,22,170
193 (2008-Nil) Sesa Goa Ltd.	14,097	–
Nil (2008-4,539) Marico Ltd.	–	2,83,045
	20,54,19,289	5,66,38,661
Less: Provision for diminution in the value of Investments	7,24,189	7,24,189
	20,46,95,100	5,59,14,472
Aggregate Book value (Net of Provisions)		
Quoted Investments	1,74,46,798	4,45,21,636
Unquoted Investments	18,72,48,302	1,13,92,836
	20,46,95,100	5,59,14,472
Market Value of Quoted Investments	90,73,289	3,59,16,186

ROSSELL TEA LIMITED

	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
SCHEDULE 7		
INVENTORIES		
Stock of Raw materials at cost	61,66,171	67,50,350
Stock of Work in Progress at works cost	79,37,383	18,43,000
Stock of Tea at lower of cost and net realisable value	72,76,881	75,73,438
Stock of Stores & Spares at or under cost	1,39,95,166	1,39,01,648
	<u>3,53,75,601</u>	<u>3,00,68,436</u>
SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured , Considered Good		
Debts outstanding for a period exceeding six months	52,72,120	77,15,694
Other Debts	1,78,52,125	3,38,33,530
	<u>2,31,24,245</u>	<u>4,15,49,224</u>
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in Hand	2,87,496	1,79,121
Remittance -in- Transit	4,61,500	-
With Scheduled Banks		
on Current Accounts	36,19,065	37,35,869
on EEFC Account in USD	22,63,050	-
on EEFC Account in Euro	15,41,573	
on Margin Money Account	27,53,656	7,44,315
on Unpaid Dividend Accounts	71,617	52,494
	<u>1,09,97,957</u>	<u>47,11,799</u>
SCHEDULE 10		
OTHER CURRENT ASSETS		
Interest Accrued on Deposits	7,70,457	3,05,715
Other Receivables	1,57,45,552	1,55,26,094
	<u>1,65,16,009</u>	<u>1,58,31,809</u>
SCHEDULE 11		
LOANS AND ADVANCES		
Unsecured , Considered Good		
Advances for Capital Assets	2,46,68,287	2,40,38,309
Intercorporate Deposits	2,50,00,000	58,50,000
Advances recoverable in cash or in kind or for value to be received	2,93,99,170	1,04,88,391
Deposits	2,03,59,067	92,14,603
	<u>9,94,26,524</u>	<u>4,95,91,303</u>
SCHEDULE 12		
CURRENT LIABILITIES		
Sundry Creditors	1,25,18,066	1,86,03,114
Other Liabilities	6,16,52,619	6,50,88,281
Interest Accrued but not Due	4,44,101	4,85,936
Unpaid Dividend	71,616	52,494
	<u>7,46,86,402</u>	<u>8,42,29,825</u>

ROSSELL TEA LIMITED

SCHEDULE 13	As on 31.03.2009	As on 31.03.2008
PROVISIONS	<u>Rs.</u>	<u>Rs.</u>
Provision for Taxation (Net)	54,46,838	58,58,565
Proposed Dividend	1,10,08,943	78,92,869
Tax on Dividend	18,70,970	13,41,393
	<u>1,83,26,751</u>	<u>1,50,92,827</u>

Schedules to the Consolidated Profit and Loss Account

SCHEDULE - 14	2008-2009	2007-2008
OTHER INCOME	<u>Rs.</u>	<u>Rs.</u>
Interest		
On Intercompany Deposits	10,25,623	3,01,155
On Other Deposits	13,90,878	1,98,547
On Fixed Deposits with Banks	44,507	10,03,905
On Income Tax Refund	1,11,008	1,31,211
Dividend	2,54,101	3,07,077
Gain on Exchange (Net)	-	23,00,614
Subsidy - Replanting	16,69,844	21,15,662
Tea Board Orthodox Subsidy Scheme	1,02,20,435	1,14,74,750
Sale of DEPB Licence	29,40,437	31,70,380
Sundry Receipts	13,18,341	14,35,962
Liabilities no Longer Required written back	16,25,467	-
	<u>2,06,00,641</u>	<u>2,24,39,263</u>
SCHEDULE - 15		
(INCREASE)/DECREASE IN STOCK		
Opening Stock Of Tea/ Work-in-progress	94,16,438	1,25,16,534
Less: Closing Stock Of Tea/Work-in-progress	1,52,14,264	94,16,438
	<u>(57,97,826)</u>	<u>31,00,096</u>
SCHEDULE - 16		
EXPENSES		
Payment and benefits to Employees		
Salaries, Wages and Bonus	18,47,35,705	18,69,55,976
Contribution to Provident and other Funds	2,53,54,895	2,32,99,289
Workmen and Staff Welfare	2,81,87,903	2,56,74,834
	<u>23,82,78,503</u>	<u>23,59,30,099</u>
Other Expenses		
Consumption of Stores and Spare Parts	6,51,59,139	3,94,77,793
Consumption of Raw Materials	1,09,43,300	85,92,503
Purchase of Green Leaf	6,25,005	78,06,468
Job work	71,222	9,67,306

ROSSELL TEA LIMITED

SCHEDULE 16 (Contd.)	2008-2009	2007-2008
	Rs.	Rs.
Carriage Inward	1,14,972	3,33,197
Testing Charges	-	1,25,442
Power and Fuel	3,98,45,761	4,21,52,124
Tea Cess	13,05,766	13,46,465
Cess on Green Leaf	57,41,347	58,97,493
Rent	35,07,998	24,66,511
Rates and Taxes	20,85,977	29,96,345
Repairs to Building	1,45,60,739	1,03,96,389
Repairs to Machinery	1,11,47,458	1,02,44,105
Other Repairs and Maintenance	37,91,641	16,42,056
Vehicles Maintenance	48,24,591	47,11,848
Transportation	1,17,88,493	1,25,27,729
Shipment Charges	33,16,040	33,68,235
Warehousing and Selling Expenses	91,05,234	96,37,531
Brokerage	38,78,665	33,41,932
Commission on Sales	23,07,603	24,76,722
Late Delivery Charges	9,81,472	-
Insurance	12,02,019	12,87,257
Directors' Fee and Commission	2,66,000	2,80,000
Auditors' Remuneration	3,03,617	2,83,463
Travelling and Conveyance	1,07,07,074	1,01,30,817
Miscellaneous Expenses	2,70,86,248	1,77,87,473
Loss on Exchange (Net)	11,46,759	-
Loss on Disposal of Fixed Asset (Net)	12,06,244	1,70,480
	<u>23,70,20,384</u>	<u>20,04,47,684</u>
	<u>47,52,98,887</u>	<u>43,63,77,783</u>
SCHEDULE - 17		
INTEREST		
On Bank Overdraft	68,32,135	17,16,003
On Term Loans to Banks	71,35,508	47,83,738
On Intercompany Deposits	58,14,657	44,12,096
On Unsecured Loan from Managing Director (Executive Chairman)	39,13,793	44,23,180
Others	1,79,746	2,69,305
	<u>2,38,75,839</u>	<u>1,56,04,322</u>
Less: Interest Subsidy	18,87,684	40,42,453
	<u>2,19,88,155</u>	<u>1,15,61,869</u>

SCHEDULE – 18

NOTES ON CONSOLIDATED ACCOUNTS

1. Basis of Preparation of Accounts

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

2. Consolidation Procedure

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

- a) Audited Accounts of the Parent for the year ended 31st March, 2009
- b) Audited Accounts of the Subsidiaries for the year ended 31st March, 2009
- c) Line by Line aggregation of each item of asset / liability/ income /expenses of the Subsidiaries with the respective item of the Parent, and after eliminating all intra group transactions and unrealized profit/ loss, if any, as per Accounting Standard -21, Consolidated Financial Statements issued by the Institute of Chartered accountants of India.

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

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

- a) The amount of Equity attributable to the minority shareholders at the date on which such investment was made by the Parent in the Subsidiaries.
- b) The amount of surplus in the profit and loss account attributable to the minority shareholders as on the close of the financial year ended 31st March, 2009.

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

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

The new Subsidiary Company Rossell Aviation Private Limited was incorporated on 17th June, 2008 and accordingly their accounts relate to the period from 17th June, 2008 to 31st March, 2009. The Company did not undertake any business activity during the period.

4. Changes in Consolidation Process as compared to 2007-2008

The Consolidated Financial Statements have been prepared on the same basis as that adopted in respect of the accounting year 2007-2008 with no change in the Consolidation Process. As per Paragraph 30 of Accounting Standard-21, Consolidated Financial Statements, comparative figures for the previous year have been presented.

5. Significant Accounting Policies

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

5.1 Basis of Accounting

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

ROSSELL TEA LIMITED

5.2 Revenue Recognition

Sales are inclusive of Excise Duty, Education Cess and Value Added Tax in case of Subsidiaries, while the same for Parent is exclusive of Value Added Tax, where applicable. There is no Excise Duty and Education Cess payable on Tea produced by the Parent. Other items of income and expenditure are recognised on accrual and prudent basis.

5.3 Fixed Assets

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

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

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

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

5.4 Foreign Currency Transaction

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

5.5 Investments

Investments are stated at cost of acquisition and treated as long term investments.

5.6 Inventories

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

5.7 Staff Benefits

- a) The Parent Company operates Defined Contribution Schemes namely, Provident Fund and Superannuation Fund for certain classes of employees. Monthly contribution is made to these funds which are fully funded and administered by Trustees and are independent of Parent Company's finance. The Subsidiary Company contributes to Regional Provident Fund Authorities. Contributions are recognized in Profit and Loss Account on an accrual basis.
- b) Defined Benefit Plans like Gratuity and Pension Schemes (frozen as on 31st March, 2002) are also maintained by the Parent Company. The Parent Company contributes to these funds and such contribution is determined by the actuary at the end of the year. Pending full funding to said Gratuity and defined benefit Pension Fund, the Parent Company ascertains the liability on the basis of an actuarial valuation at the end of each year. Actuarial gains and losses are recognized in the Profit and Loss Account. The Parent Company also recognizes in the Profit and Loss Account gains or losses on curtailment or settlement of a defined benefit plan

ROSSELL TEA LIMITED

as and when the curtailment or settlement occurs. Both the pension fund and gratuity fund are administered by the Trustees and are independent of Parent Company's finance. The Subsidiary Company has provided for gratuity based on actuarial valuation

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

5.8 Borrowing Cost

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

5.9 Replanting Subsidy

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

5.10 Taxes on Income

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

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

6. Segment Information for the year ended 31st March, 2009

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

- A. Cultivation, Manufacture and Sale of Tea.
- B. Technical and Support Services by Aerotech Services Division.
- C. Design and Development of Avionics Equipment.
- D. Rossell Aviation

2. Revenue:	2008-2009 Rs.	2007-2008 Rs
A. Cultivation, Manufacture and Sale of Tea	55,64,11,352	49,72,56,763
B. Technical and Support Services	3,83,78,398	6,42,61,931
C. Design and Development of Avionics Equipment	2,11,48,781	3,71,73,135
D. Rossell Aviation	-	-
	61,59,38,531	59,86,91,829
Less: Inter Segment Revenue	9,59,816	22,41,776
Total Revenue	61,49,78,715	59,64,50,053

ROSSELL TEA LIMITED

	2008-2009 Rs.	2007-2008 Rs
3. Results		
A. Cultivation, Manufacture and Sale of Tea	13,18,14,379	21,58,68,126
B. Technical and Support Services	1,42,65,863	3,75,28,581
C. Design and Development of Avionics Equipment	(1,40,67,550)	45,50,777
D. Rossell Aviation	(5,715)	-
	<u>13,20,06,977</u>	<u>25,79,47,484</u>
Less: i) Un-allocated expenses, net of un-allocated Income	-	-
Profit (Loss) on Sale of Investments	(79,67,095)	13,67,485
Unrealized (Loss)/Profit on exchange	(1,09,80,000)	38,90,000
ii) Interest Net of subsidy	(2,26,46,738)	(1,25,27,882)
Profit before Taxation	<u>9,04,13,144</u>	<u>25,06,77,087</u>
4. Segment Assets		
A. Cultivation, Manufacture and Sale of Tea	1,46,65,65,587	1,25,57,84,744
B. Technical and Support Services	5,63,58,617	5,77,23,742
C. Design and Development of Avionics Equipment	5,23,14,140	4,80,19,291
D. Rossell Aviation	98,629	-
	<u>1,57,53,36,973</u>	<u>1,36,15,27,777</u>
5. Segment Liabilities		
A. Cultivation, Manufacture and Sale of Tea	8,61,75,472	9,27,89,672
B. Technical and Support Services	10,74,340	17,07,202
C. Design and Development of Avionics Equipment	57,57,827	48,25,778
D. Rossell Aviation	62,050	-
	<u>9,30,69,689</u>	<u>9,93,22,652</u>
6. Capital Expenditure		
A. Cultivation, Manufacture and Sale of Tea	2,89,32,670	1,32,49,969
B. Technical and Support Services	50,89,395	30,36,107
C. Design and Development of Avionics Equipment	6,16,808	27,14,308
D. Rossell Aviation	-	-
	<u>3,46,38,873</u>	<u>1,90,00,384</u>

ROSSELL TEA LIMITED

	2008-2009	2007-2008
	Rs.	Rs
7. Depreciation		
A. Cultivation, Manufacture and Sale of Tea	1,27,30,614	1,31,06,196
B. Technical and Support Services	8,97,534	5,43,784
C. Design and Development of Avionics Equipment	5,01,112	8,84,136
D. Rossell Aviation	-	-
	1,41,29,260	1,45,34,116

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

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

b. Particulars of transactions during the year ended 31st March, 2009

Nature of transaction	Key Management Personnel and relatives	Holding Company	Enterprises where significant influence is exercisable as aforesaid
a. Net increase in Inter Corporate Deposit / Unsecured Loans	- (5,30,60,000)	1,92,70,307 (-)	- (48,50,000)
b. Net decrease in Inter Corporate Deposits	3,07,00,000 (-)	- (1,83,50,000)	4,64,15,000 (-)
c. Interest paid on Unsecured Loans taken	39,13,793 (44,23,180)	7,87,397 (6,52,370)	11,11,975 (37,59,726)
d. Rent paid for Space taken	4,20,000 (4,20,000)	- (-)	6,00,000 (6,00,000)
e. Remuneration Paid	53,44,587 (63,80,053)	- (-)	- (-)

ROSSELL TEA LIMITED

f. Purchase of Equity Shares of Rossell Aviation Pvt. Ltd. (Subsidiary Company)	50,000 (-)	-	-
g. Remuneration paid to relative	5,72,039 (1,35,000)	-	-
h. Dividend Paid	9,33,696 (-)	58,15,636 (-)	1,19,974 (-)

(Previous year's figures are in bracket)

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

9. **Earning Per Equity Share**

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

	2008-2009	2007-2008
	Rs.	Rs.
(a) Profit after Taxation	6,37,02,495	21,09,03,073
(b) Weighted average number of Equity Shares outstanding	66,42,857	63,14,295
(c) Earnings per Share	9.59	33.40

10. The Parent acquired the ownership interest in Fully Owned Subsidiary, Rossell Aviation Private Limited on and from 4th February, 2009 during this Financial Year. Therefore, figures in respect of previous year are without that of Rossell Aviation Private Limited and not comparable.
11. Previous year's figures have been rearranged wherever necessary.

H.M. Gupta
Executive Chairman

H.M. Parekh
Director

P. L. Agarwal
Director

C.S. Bedi
Managing Director

R.N. Deogun
Director

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

Place : Kolkata
Date : 11th June, 2009

ROSSELL TEA LIMITED

Consolidated Cash Flow Statement for the year ended 31st March,2009

	2008-2009		2007-2008	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities				
Profit before Tax and Extraordinary items				
Adjustment for :		9,04,13,144		25,06,77,087
Depreciation(Net of adjustment)	1,38,71,778		1,45,34,116	
Interest (Net)	2,19,88,155		1,15,61,869	
Loss on Disposal of Fixed Assets (Net)	12,06,244		1,70,480	
Unrealised Loss (Gain) on Exchange	1,09,80,000		(38,90,000)	
Loss (Profit) on sale of Investments	79,67,095		(13,67,485)	
Profit on sale of Property	-		(11,98,00,898)	
Liabilities Written back	(16,25,467)	5,43,87,805	-	(9,87,91,918)
		14,48,00,949		15,18,85,169
Items Considered in Investing Activity :				
Interest on Deposits etc.	(25,72,016)		(16,34,818)	
Dividend	(2,54,101)	(28,26,117)	(3,07,077)	(19,41,895)
		14,19,74,832		14,99,43,274
Operating Profit before Working Capital Changes				
Adjustment for :				
Current Assets	(3,67,71,629)		(2,00,79,480)	
Current Liabilities	(79,17,956)	(4,46,89,585)	1,59,37,943	(41,41,537)
Cash Generated from Operations		9,72,85,247		14,58,01,737
Interest Paid	(2,19,88,155)		(1,15,61,869)	
Direct Taxes (Net of refund)	(2,02,54,847)	(4,22,43,002)	(2,13,13,614)	(3,28,75,483)
Cash Flow before Extraordinary Items		5,50,42,245		11,29,26,254
Extraordinary Items		-		-
Net Cash Flow from Operating Activities		5,50,42,245		11,29,26,254
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets including				
Advances for Capital Assets		(3,49,64,861)		(4,58,59,197)
Sale of Fixed Assets (Net of earnest Money)		5,19,162		9,28,32,584
Sale of Investments		4,86,76,739		4,19,52,412
Purchase of Investments		(20,54,24,461)		(9,59,73,795)
Compensation received from acquisition of Land		-		8,62,627
Preliminary Expenses of Subsidiary Company		(57,706)		-
Cost of acquisition of Equity Shares of Subsidiary (Net)		(250)		-

ROSSELL TEA LIMITED

	2008-2009		2007-2008	
	Rs.	Rs.	Rs.	Rs.
Interest Received	25,72,016		16,34,818	
Dividend Received	2,54,101		3,07,077	
Net Cash Flow from Investing Activities	(18,84,25,260)		(42,43,474)	
C. Cash Flow from Financing Activities				
Proceeds of Equity Share Capital, including Securities Premium	10,25,00,000		–	
Intercompany deposits(ICD) (repaid) /taken including interest accrued thereon	(5,57,67,844)		3,05,26,713	
Repayment of External Commercial Borrowings	–		(4,33,20,000)	
Proceeds of Short Term Loans From Banks (Net)	8,26,97,796		–	
Repayment of Short Term Borrowings from Banks (Net)	–		(10,40,18,151)	
Proceeds of Short Term Borrowings from Bank (Net)	1,94,73,483		–	
Dividend Paid and Tax thereon	(92,34,262)		–	
Net Cash Flow from Financing Activities	13,96,69,173		(11,68,11,438)	
Net Increase in Cash and Cash Equivalents (A+B+C)	62,86,158		(81,28,658)	
Cash and Cash Equivalents as at 31.03.2008				
(Opening Balance)	47,11,799		1,28,40,457	
Cash and Cash Equivalents as at 31.03.2009				
(Closing Balance)	1,09,97,957		47,11,799	

Notes :

- The above Statement has been prepared under the Indirect Method as given in Accounting Standard on Cash Flow Statement (AS - 3) issued by the Institute of Chartered Accountants of India.
- The Parent acquired the ownership interest in Fully Owned Subsidiary, Rossell Aviation Private Limited on and from 4th February, 2009 during this Financial Year. Therefore, figures in respect of previous year are without that of Rossell Aviation Private Limited and not comparable.
- Previous year's figures have been rearranged wherever necessary.

In terms of our Report of even date

For S. S. Kothari & Co.
Chartered Accountants,

R. K. Roy Chaudhury
Partner

H.M. Gupta
Executive Chairman

H.M. Parekh
Director

R.N. Deogun
Director

C.S. Bedi
Managing Director

P. L. Agarwal
Director

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

Place : Kolkata
Date : 11th June, 2009

ROSSELL AVIATION PRIVATE LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the First Annual Report together with the Audited Accounts of the Company for the period ended 31st March, 2009.

HOLDING COMPANY :

Upon acquisition of the entire Equity Share Capital of the Company by Rossell Tea Limited and their nominee, your Company has become a fully owned subsidiary company of Rossell Tea Limited with effect from 4th February 2009.

With Rossell Tea Limited as the Holding Company, your Company is now a public limited company within the meaning of section 3 of the Companies Act, 1956.

OPERATING RESULTS :

The Company was incorporated on 17th June, 2008 and accordingly the accounts relates for the period 17th June, 2008 to 31st March, 2009. Being the first year, the previous year's figures are not available.

Particulars	Current Year (Rs.)
Profit/(loss) before depreciation	(5,715)
Depreciation	Nil
Net Profit / (loss) after depreciation and before tax	(5,715)
Provision for Income / Wealth Tax	Nil
Balance Carried Forward to Balance Sheet (Loss)	(5,715)

The Company did not undertake any business activities during the year, though all the possibilities were explored to start the same.

DIVIDEND :

Since the Company did not start any business activities, no dividend can be recommended by your Directors.

FIXED DEPOSITS :

The Company has neither invited nor accepted any deposits from the public.

DIRECTORS :

During the year Dr. S.S. Baijal was appointed as Additional Director to hold office till the conclusion of the first Annual General Meeting. The Special Notice has been received from a member proposing him as a Director in the ensuing Annual General Meeting. Being eligible the Board recommends for his appointment as Director on the Board of the Company.

AUDITORS :

M/s. S R Dinodia & Co., Chartered Accountants who retires at this Annual General Meeting have agreed to continue till the conclusion of next meeting subject to compliance of various provisions of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS & OUTGO :

Since the Company did not take up any business activities, the information is not required to be provided.

DIRECTORS RESPONSIBILITY STATEMENT :

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

- (i) That in preparation of the Company's Annual Accounts for the period ended 31st March, 2009, applicable accounting standards have been followed and proper explanations have been provided for material departures, where applicable.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2009 and loss of the Company for that financial year.
- (iii) That the Directors had 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 had prepared the Annual Accounts on a going concern basis.

On behalf of Board of Directors

Place: Kolkata
Date: 30th April, 2009

H. M. Gupta
C. S. Bedi
Directors

ROSSELL AVIATION PRIVATE LIMITED

AUDITORS' REPORT

To the Share Holders of M/S ROSSELL AVIATION PVT. LTD.

We have audited the attached Balance Sheet of M/S. ROSSELL AVIATION PVT. LTD., as at 31st March 2009 and also the Profit and Loss Account for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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 audit.
- 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 Company's Balance sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as Director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956.
- f) 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:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 and
 - ii) In the case of the Profit and Loss Account, of the Loss for the period ended on that date.

For **S. R. Dinodia & Co.**
Chartered Accountants,

Sandeep Dinodia
Partner
M. No. 083689

Place : New Delhi
Dated : 30th April, 2009

ROSSELL AVIATION PRIVATE LIMITED

Balance Sheet as at 31st March, 2009

	Schedule	As at 31.03.2009 Rs.
SOURCES OF FUND		
Shareholder's Fund		
Share Capital	A	1,00,000.00
		1,00,000.00
APPLICATIONS OF FUND		
Current Assets, Loans and Advances		
Cash and Bank Balances	B	98,629.00
		98,629.00
Less : Current Liabilities and Provisions		
Current Liabilities	C	62,050.40
		62,050.40
Net Current Assets		36,578.60
Miscellaneous Expenditure		
(To the extent not written off)		
Preliminary Expenses		57,706.40
Profit and Loss Account		5,715.00
		1,00,000.00
Accounting Polices and Notes to Account	D	

AUDITORS' REPORT

As per our separate report of even date attached

For S. R. DINODIA & CO.

Chartered Accountants

Sandeep Dinodia
Partner
M. No. 083689

Place : New Delhi
Dated : 30th April, 2009

On behalf of the Board
H. M. Gupta
Director

C. S. Bedi
Director

ROSSELL AVIATION PRIVATE LIMITED

Profit and Loss Account for the Period From 17th June, 2008 to 31st March, 2009

	<u>Schedule</u>	<u>Current Period</u> <u>Rs.</u>
EXPENDITURE		
Audit Fees		5,515.00
Printing Charges		200.00
		<u>5,715.00</u>
LOSS		
(Loss) before tax		(5,715.00)
Profit/(Loss) after tax		(5,715.00)
Balance Carried to Balance Sheet		<u>(5,715.00)</u>
Basic/Diluted Earning Per Share		(0.72)
(Refer Note No. B (1) of Schedule D)		
Accounting Policies and Notes to Account	D	

AUDITORS' REPORT

As per our separate report of even date attached

For **S. R. DINODIA & CO.**

Chartered Accountants

Sandeep Dinodia

Partner

M. No. 083689

Place : New Delhi

Dated : 30th April, 2009

On behalf of the Board

H. M. Gupta

Director

C. S. Bedi

Director

ROSSELL AVIATION PRIVATE LIMITED

Schedules forming part of the Balance Sheet

	<u>As at 31.03.2009</u> <u>Rs.</u>
SCHEDULE - A	
SHARE CAPITAL	
Authorised	
50, 000 equity shares of Rs. 10 each	<u>5,00,000.00</u>
Issued, Subscribed and Paid up	
10,000 equity shares of Rs. 10 each fully paid-up	<u>1,00,000.00</u>
	<u>1,00,000.00</u>
SCHEDULE - B	
CURRENT ASSETS AND LOANS & ADVANCES	
Cash and Bank Balances	
Cash in Hand	3,829.00
Balance with Scheduled Bank (In current account) HDFC Bank	<u>94,800.00</u>
	<u>98,629.00</u>
SCHEDULE - C	
CURRENT LIABILITIES AND PROVISIONS	
CURRENT LIABILITIES	
Sundry Creditors	
For Expenses	5,515.00
For others	<u>56,535.40</u>
	<u>62,050.40</u>

Schedule forming part of the Balance Sheet and Profit and Loss Account

SCHEDULE - D

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICES

1. Accounting Convention

The financial statements are prepared under the historical cost convention using mercantile basis of accounting in accordance with applicable mandatory accounting standards and relevant presentational requirements of the Companies Act, 1956.

2. Taxes on Income

Current Tax

Current tax is amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax

Deferred tax resulting from timing difference between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

3. Earning Per Share

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year.

ROSSELL AVIATION PRIVATE LIMITED

4. Preliminary Expenses

Expenses shall be written off to the profit and loss account beginning with the previous year in which the business commences or the new unit commences its production or operation.

B. NOTES TO ACCOUNT

1. Earning Per Share (EPS)

The numerators and denominators used to calculate basic/diluted earning per share are :

		Amount (Rs.) For the Period ended 31st March 2009
Profit/(Loss) attributable to the equity shareholders	(A)	(5,715.00)
Number of Shares		10,000
No. of days for which shares remained outstanding		291
Weighted average number of equity shares used in calculating basic earnings per share	(B)	7,972.60
Basic Earning per Share	(A) / (B)	(0.72)

2. Payments to Auditors

Particulars	Amount (Rs.) For the Period ended 31st March, 2009
Audit Fee	5,000.00
Others	10,000.00
Service Tax	1,751.00

- Pursuant to amendments to Schedule VI to the Companies Act, 1956 vide notification number GSR 719 (E) dated November 16, 2007, there is no amount due to the Micro, Small and Medium Enterprises as at 31st March, 2009 under Micro, Small and Medium Enterprises Development Act, 2006, hence, disclosure relating to amounts unpaid at the year end together with interest paid / payable under this Act has not been given.
- This is the first financial statements of the Company, as the Company was incorporated on 17th day of June, 2008, hence, no previous year's figures are available.
- Since the Company has not yet commenced any commercial operations, hence, there is no virtual certainty that sufficient future taxable income would be available in future to realise deferred tax asset, therefore, deferred tax has not been recognised on the principle of prudence as stated in para 15 - 18 of the Accounting Standard 22 - "Taxation on Income" issued by the institute of Chartered Accountants of India.

Signature to Schedules 'A' to 'D'

AUDITORS' REPORT

As per our report attached

For S. R. DINODIA & CO.

Chartered Accountants

Sandeep Dinodia

Partner

M. No. 083689

Place : New Delhi

Dated : 30th April, 2009

On behalf of the Board

H. M. Gupta

Director

C. S. Bedi

Director

SIGMA MICROSYSTEMS PRIVATE LIMITED

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting their 13th Annual report together with the Audited Statement of Accounts of the Company for the year ended 31.03.2009.

FINANCIAL PERFORMANCE

During the year under review the financial performance of the Company are as follows:

Particulars	2008-2009 Rs. In Lacs	2007-2008 Rs. In Lacs
Total Income	252.32	388.66
Profit Before Interest and Depreciation	(80.88)	54.35
Interest	16.93	13.74
Depreciation	4.68	8.84
Profit Before Tax	(102.49)	31.77
Income Tax and Fringe Benefit Tax	(2.56)	(12.16)
Profit After Tax	(105.05)	19.61

Your Directors with deep regret report low performance of the Company during the year 2008-2009 due to many factors which influenced the Business. A few of the influencing factors are

- a) Major orders for SSFDR for HAL, SERVO CONTROL UNIT for BDL expected during 2008-2009 have not been realized and were delayed beyond the financial year.
- b) Non recovery of some of the dues from Customers on account of related tests to be conducted by them for final acceptances resulted in Cash crunch during the year for funds availability from Customers, and increased interest rates by Bank.
- c) General recessionary conditions in the Industry and market, lead to tightening of cash availability from Bankers.

FUTURE OUTLOOK

Your Company is poised for higher turnover with carry over orders on hand to the tune of Rs.400 lakhs app. as on 1.4.2009. The following positive factors would add up to the benefit of the Company during the coming year 2009-2010. We expect to achieve a turnover of Rs.600 lakhs during the next year.

- a) The R & D expenditure incurred during the year 2008-2009 in respect of certain new products such as
 1. POWER PC BOARDS
 2. Ticket Issuing Machine Project
 3. Light weight Mines Project
 4. Software development for Single Board Computer(MPC 8280 VME)
 5. PMC Digital I/O module
 6. PCI Express digital I/O module
 7. VME based Analog, Digital and communication modules
 8. APPLICATION SOFTWARE FOR SSFDRWould be realized in the next and future years.
- b) The increased political stability at Centre will augur well for Defence spending where the Company has good market share.

SIGMA MICROSYSTEMS PRIVATE LIMITED

AUDITORS

M/s Pavuluri & Co., Chartered Accountants, Hyderabad appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting in the place of M/s. G.P. Associates, Chartered Accountants, Retiring Auditors as they have expressed their inability to continue as Statutory Auditors.

DIRECTORS

AVM (Retd.) D. K. Sen and Shri V. K. Gupta, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DEPOSITS

The Company has not accepted any Deposits during the year as per the provisions of the Companies (Acceptance of Deposits) Rules, 1975 and as such there is no outstanding deposits.

PERSONNEL

There are no employees covered by section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

DIRECTORS RESPONSIBILITY STATEMENT:

In pursuance of Section 217(2AA) of the Companies Act, 1956, your directors confirm:

- a) That in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- b) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit for that period.
- c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and deleting fraud and other irregularities.
- d) That the directors had prepared the annual accounts on the going concern basis.

INFORMATION U/S. 217(1)(e) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

a) **Conservation of Energy**

Particulars regarding energy consumption are given by way of annexure in this report in Form A.

b) **Technology Absorption**

The Company has not imported any Technology.

c) Foreign Exchange Earnings : NIL

d) Foreign Exchange Out go : Rs.50,59,499

INDUSTRIAL RELATIONS

Your Directors wish to record their deep sense of appreciation for the dedicated services rendered by all the employees. Industrial relations in the company have been extremely good throughout the year.

For and on behalf of the Board

C.DAMODAR REDDY
Managing Director

Place : Hyderabad
Date : 01.06.2009

P. V. SANJAY
Director

SIGMA MICROSYSTEMS PRIVATE LIMITED

AUDITORS' REPORT

To the Members of
SIGMA MICROSYSTEMS PRIVATE LIMITED.

We have audited the attached Balance Sheet of SIGMA MICROSYSTEMS PRIVATE LIMITED as at 31.03.2009 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies' (Auditor's Report) Order, 2003, issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the annexure referred to above, 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 audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in Sub-Section 3(C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the Directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) 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, 2009 and
 - ii) In the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.

For G.P. ASSOCIATES
Chartered Accountants

CA.P.A. RAMAIAH
Partner
M.No.203300

Place: Hyderabad
Date: 01.06.2009

SIGMA MICROSYSTEMS PRIVATE LIMITED

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date,

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification.
2. (a) The inventories have been physically verified by the management during the year at reasonable intervals.
(b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.
3. (a) The company had taken loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,08,44,511 and the year-end balance of loan taken from such parties was Rs. 1,97,86,275. The Company has not granted any loans to companies, firms or other parties covered under section 301 of the Companies Act, 1956.
(b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
(c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever necessary.
(d) In respect of loans taken, the Company has taken reasonable steps for payments of principal and interest in respect of overdue amounts of more than Rupees one lakh each wherever necessary.
4. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods.
5. (a) In our opinion, there are no transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
(b) In our opinion, there are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs.5,00,000 or more in respect of each party.
6. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits as defined under section 58A of the Companies Act, 1956.
7. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the Books of Account maintained by the Company as prescribed by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records.

SIGMA MICROSYSTEMS PRIVATE LIMITED

9. (a) According to the books and records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate authorities whenever applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2009 for a period exceeding six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax and other statutory dues, which have not been deposited on account of any dispute.
10. The Company has no accumulated losses and has not incurred cash losses in the immediately preceding financial year. However the Company incurred cash losses in the current financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to banks and financial institutions.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks, and financial institutions.
16. In our opinion and 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 investments.
17. The Company has not made any preferential allotment of share to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
18. No debentures have been issued by the Company and hence, the question of creating securities in respect thereof does not arise.
19. The Company has not raised any money by way of public issues during the year.
20. On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.

For G.P. ASSOCIATES
Chartered Accountants

CA.P.A. RAMAIAH
Partner
M.No.203300

Place: Hyderabad
Date: 01.06.2009

SIGMA MICROSYSTEMS PRIVATE LIMITED

Balance Sheet as at 31st March, 2009

	Schedule	As at 31.03.2009		As at 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
A. SOURCES OF FUNDS :					
1. Shareholders Funds					
a) Share Capital	1		1,00,00,000		1,00,00,000
b) Reserves & Surplus	2		17,44,884		1,22,50,129
2. Loan Funds					
a) Secured Loans	3		68,10,090		8,48,333
b) Unsecured Loans	4		1,97,86,275		1,98,44,511
3. Deferred Tax Liability					
			4,14,115		2,50,541
			<u>3,87,55,364</u>		<u>4,31,93,514</u>
B. APPLICATION OF FUNDS :					
1. Fixed Assets:					
a) Gross Block	5		89,37,456		88,21,287
b) Less : Depreciation			<u>43,72,893</u>		<u>41,68,726</u>
c) Net Block			45,64,563		46,52,561
2. Current Assets, Loans & Advances:					
a) Inventories	6		1,39,77,126		85,93,350
b) Sundry Debtors	7		1,76,72,570		3,27,15,860
c) Loans & Advances	8		1,01,94,345		65,16,634
d) Cash & Bank Balnces	9		<u>29,51,119</u>		<u>9,20,114</u>
			4,47,95,160		4,87,45,958
Less : Current Liabilites & Provisions	10 & 11		<u>1,06,04,359</u>		<u>1,02,05,005</u>
Net Current Assets			3,41,90,801		3,85,40,953
			<u>3,87,55,364</u>		<u>4,31,93,514</u>
Notes on Accounts	18				

As per our report of even date

For G.P.ASSOCIATES
Chartered Accountants

CA.P.A. RAMAIAH
Partner

Place: Hyderabad
Date: 01.06.2009

For and on behalf of the Board of Directors

C.DAMODAR REDDY
Managing Director

P.V. SANJAY
Director

SIGMA MICROSYSTEMS PRIVATE LIMITED

Profit and Loss Account for the year ended 31st March, 2009

	<u>Schedule</u>	<u>Year ended 31.03.2009</u>		<u>Year ended 31.03.2008</u>	
		<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
A. INCOME :					
Sales - Gross		2,04,41,658		4,17,96,457	
Less: Excise Duty		<u>12,41,427</u>		<u>50,60,816</u>	
Net Sales		1,92,00,231		3,67,35,641	
Foreign exchange gain		-		7,964	
Other Income	12	47,441		4,29,530	
Increase/(Decrease) in Inventory	13	<u>59,84,383</u>		<u>16,93,000</u>	
		<u>2,52,32,055</u>		<u>3,88,66,135</u>	
B. EXPENDITURE :					
Manufacturing Expenses	14	1,05,06,433		1,09,16,896	
Payment and Benefits to Employees	15	1,40,85,134		1,25,10,850	
Administrative Expenses	16	89,85,272		1,00,03,476	
Financial Charges	17	16,93,218		13,74,264	
Depreciation	5	4,67,903		8,84,136	
		<u>3,57,37,960</u>		<u>3,56,89,622</u>	
Profit/(Loss) Before Prior Period Changes		(1,05,05,905)		31,76,513	
Less: Prior Period Income		2,57,354		-	
Profit/(Loss) before Tax		(1,02,48,551)		31,76,513	
Less: Provision for Taxes					
Current Tax		-		11,00,280	
Deferred Tax Liability		1,63,574		27,584	
Fringe Benefit tax		<u>93,120</u>		<u>88,650</u>	
Profit/(Loss) after tax		(1,05,05,245)		19,59,999	
Profit Brought forward from Previous year		1,22,50,129		1,02,90,130	
Balance profit carried forward to Balance Sheet		17,44,884		1,22,50,129	

As per our report of even date

For G.P.ASSOCIATES
Chartered Accountants

CA.P.A. RAMAIAH
Partner

Place: Hyderabad
Date: 01.06.2009

For and on behalf of the Board of Directors

C.DAMODAR REDDY
Managing Director

P.V. SANJAY
Director

SIGMA MICROSYSTEMS PRIVATE LIMITED

Schedules forming part of the Balance Sheet

	As at 31.03.2009	As at 31.03.2008
	Rs.	Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised :		
15,00,000 Equity Shares of Rs.10 each	<u>1,50,00,000</u>	<u>1,50,00,000</u>
Issued, Subscribed and paid up :		
10,00,000 Equity Shares of Rs.10 each fully paid (Of the above 5,62,500 Equity shares held by the Holding Company, Rossell Tea Limited.)	<u>1,00,00,000</u>	<u>1,00,00,000</u>
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
SCHEDULE - 2		
RESERVES & SURPLUS		
Balance of Profit from Profit and Loss A/c	<u>17,44,884</u>	<u>1,22,50,129</u>
	<u>17,44,884</u>	<u>1,22,50,129</u>
SCHEDULE - 3		
SECURED LOANS		
Cash Credit from S B I (Secured by hyphothecation of book debts and stock)	-	8,48,333
Cash Credit from IndusInd Bank (Secured by hyphothecation of book debts and stock & Corporate Guarentee from Rossell Tea Limited)	<u>68,10,090</u>	-
	<u>68,10,090</u>	<u>8,48,333</u>
SCHEDULE - 4		
UNSECURED LOANS		
Loan from Directors	<u>1,03,69,397</u>	82,70,000
Intercorporate Deposits (Holding Company)	<u>94,16,878</u>	1,15,74,511
	<u>1,97,86,275</u>	<u>1,98,44,511</u>

SIGMA MICROSYSTEMS PRIVATE LIMITED

**SCHEDULE - 5
FIXED ASSETS**

Sl. No	NAME OF THE ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2008 Rs.	ADDITIONS Rs.	DELETIONS Rs.	As at 31.03.2009 Rs.	As at 01.04.2008 Rs.	FOR THE YEAR Rs.	Adjust-ments Rs.	As at 31.03.2008 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1	Test Equipment	13,00,190	-	-	13,00,190	2,83,918	91,923	-	3,75,841	9,24,349	10,16,272
2	Electrical Equipment	9,82,460	68,500	-	10,50,960	1,28,321	73,374	-	2,01,695	8,49,265	8,54,139
3	Furniture	12,19,337	28,688	84,652	11,63,373	2,09,565	78,447	6,254	2,81,758	8,81,615	10,09,772
4	Office Equipment	7,43,494	88,833	-	8,32,327	1,23,064	37,760	-	1,60,824	6,71,503	6,20,430
5	Computer	39,06,039	14,800	-	39,20,839	33,65,054	1,26,502	2,37,950	32,53,606	6,67,233	5,40,985
6	Vehicles	6,69,767	-	-	6,69,767	58,804	59,897	19,532	99,169	5,70,598	6,10,963
	Total :	88,21,287	2,00,821	84,652	89,37,456	41,68,726	4,67,903	2,63,736	43,72,893	45,64,563	46,52,561
	Previous Year	67,52,215	27,14,308	6,45,236	88,21,287	35,75,627	8,84,136	2,91,037	41,68,726	46,52,561	31,76,588

SCHEDULE - 6

INVENTORIES

(As Certified by the Management)

Raw Materials

Work in process

As at 31.03.2009

Rs.

As at 31.03.2008

Rs.

61,49,743

67,50,350

78,27,383

18,43,000

1,39,77,126

85,93,350

SCHEDULE - 7

SUNDRY DEBTORS

(Unsecured, Considered Good)

Outstanding for more than 6 months

Others

52,72,120

77,15,694

1,24,00,450

2,50,00,166

1,76,72,570

3,27,15,860

SCHEDULE - 8

LOANS AND ADVANCES

(Unsecured, Considered Good, advances recoverable either in cash or in kind, for value to be received)

Advance Tax

Advance F B T

Advances to suppliers

Deposits

Other advances

53,07,025

52,28,875

85,000

1,50,352

40,79,183

3,58,528

5,16,546

5,12,546

2,06,591

2,66,333

1,01,94,345

65,16,634

SCHEDULE - 9

CASH AND BANK BALANCES

Cash on hand

Cash at Banks

Bank Deposits (Margin money)

52,490

57,143

1,84,797

1,78,894

27,13,832

6,84,077

29,51,119

9,20,114

SIGMA MICROSYSTEMS PRIVATE LIMITED

	<u>As at 31.03.2009</u>	<u>As at 31.03.2008</u>
	Rs.	Rs.
SCHEDULE - 10		
CURRENT LIABILITIES		
TDS Payable	2,03,620	1,40,034
Other Liabilities	42,77,631	35,22,718
Advances from customers	-	1,22,500
Sundry Creditors	6,86,511	9,22,274
	<u>51,67,762</u>	<u>47,07,526</u>
SCHEDULE - 11		
PROVISIONS		
Provision for Tax	53,43,477	53,43,477
Provision for Fringe Benefit Tax	93,120	1,54,002
	<u>54,36,597</u>	<u>54,97,479</u>
Schedules forming part of the Profit and Loss Account		
	Year ended	Year ended
	31.03.2009	31.03.2008
	Rs.	Rs.
SCHEDULE - 12		
OTHER INCOME		
Interest Income	44,507	21,783
Miscellaneous Income	2,934	14,762
L.D.Charges	-	3,92,985
	<u>47,441</u>	<u>4,29,530</u>
SCHEDULE - 13		
INCREASE/(DECREASE) IN INVENTORY		
Opening Stock WIP	18,43,000	1,50,000
Closing Stock WIP	78,27,383	18,43,000
Increase in Stock	<u>59,84,383</u>	<u>16,93,000</u>
SCHEDULE - 14		
MANUFACTURING EXPENSES		
Raw material Consumed		
Opening stock	67,50,350	12,00,000
Add: Purchases	92,27,623	1,41,42,853
	<u>1,59,77,973</u>	<u>1,53,42,853</u>
Less: Closing Stock	<u>61,49,743</u>	<u>67,50,350</u>
	98,28,230	85,92,503
Job works	71,222	9,67,306
Power and Fuel	3,02,095	2,78,896
Repairs and Maintenance -Machinery	1,89,914	6,19,552
Carriage Inward	1,14,972	3,33,197
Testing charges	-	1,25,442
	<u>1,05,06,433</u>	<u>1,09,16,896</u>

SIGMA MICROSYSTEMS PRIVATE LIMITED

	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
SCHEDULE - 15		
PAYMENT AND BENEFITS TO EMPLOYEES		
Salaries, Wages and other allowances	1,16,11,337	1,16,73,021
Gratuity	17,50,000	–
Staff Welfare Expenses	3,31,822	3,57,103
Contribution to provident and other funds	<u>3,91,975</u>	<u>4,80,726</u>
	<u>1,40,85,134</u>	<u>1,25,10,850</u>
SCHEDULE - 16		
ADMINISTRATIVE EXPENSES		
Rent	6,40,187	5,33,648
Rates and Taxes	1,65,614	49,638
Travelling and Conveyance	17,79,246	18,12,090
Printing and Stationery	1,84,980	1,45,570
Telephone charges	2,62,895	2,65,785
Postage and Telegrams	22,031	35,771
Late delivery charges	9,81,472	–
Discounts and Rebates	–	36,096
Professional Charges	1,18,195	1,46,684
Remuneration to Directors	23,42,333	28,65,600
General Expenses	23,882	17,149
Auditors Remuneration		
Audit Fee	25,000	25,000
Tax Audit Fee	25,000	25,000
Insurance	55,447	39,655
Vehicle Maintenance	1,95,072	2,02,728
Office Maintenance	5,13,545	3,88,369
Advertisement Expenses	54,420	2,45,490
Donations	–	1,50,000
Loss on Sale of Assets	33,398	84,199
Sales promotion	81,140	1,57,038
Value Added Tax	7,12,184	15,66,775
Consultancy charges	<u>7,69,231</u>	<u>12,11,191</u>
	<u>89,85,272</u>	<u>1,00,03,476</u>
SCHEDULE - 17		
FINANCIAL CHARGES		
Interest on Working Capital	7,55,227	1,38,946
Interest on Others	7,58,245	9,66,013
Bank Charges and Commission	<u>1,79,746</u>	<u>2,69,305</u>
	<u>16,93,218</u>	<u>13,74,264</u>

SIGMA MICROSYSTEMS PRIVATE LIMITED

SCHEDULE – 18

ACCOUNTING POLICIES, AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2009

A. ACCOUNTING POLICIES:

1. Accounting Convention:

The accounts have been prepared on historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956 and applicable statutes and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

2. Revenue Recognition:

Items of income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

Sales are inclusive of Value Added Tax .

3. Fixed Assets:

Fixed Assets are stated at their original cost of acquisition less accumulated depreciation. Direct costs such as taxes, duties, freight and others incidental expenses related to acquisition and installation of the concerned assets are capitalized in the respective cost of fixed assets till the assets are ready to be put to use. Fixed Assets are further adjusted by the amount of CENVAT credit.

4. Depreciation:

Depreciation has been provided on Straight Line method at the rates and in the manner as prescribed in Schedule XIV of the Companies Act, 1956.

5. Inventories:

The Stock of Raw Materials, and Semi-Finished Goods are valued at cost or net realizable value whichever is lower.

6. Retirement Benefits:

Contributions to Provident Fund are made on monthly basis and charged to Profit and Loss Account and gratuity is provided based on actual valuation

7. Research and Development:

(i) Capital expenditure is shown separately under respective heads of fixed assets.

(ii) Revenue expenses are included under the respective heads of expenses.

8. Taxes on Income:

Tax expense for a year comprises of current tax and deferred tax. Provision for current tax is made based on the applicable tax rates and tax laws with respect to that year. Deferred tax assets and liabilities are measure using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect of deferred tax assets and liabilities of a change in tax rates is recognized for the future tax consequences attributable to differences between financial statements carrying amounts of existing assets and liabilities and their respective tax bases.

B. NOTES ON ACCOUNTS

1. **Deferred Tax:** In accordance with the Accounting Standard 22, 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountant of India, the Deferred Tax Liability for the year ended 31.03.2009 amounting to Rs.1, 63, 574 has been debited to Profit and Loss Account and remaining balance is shown as Deferred Tax Liability in the Balance Sheet separately.

2. Additional information pursuant to the provision of paragraphs 3, 4 and 4D of part II of Schedule VI of the Companies Act, 1956 (As certified by the Management) to the extent applicable.

	2008-2009	2007-2008
	Rs.	Rs.
A) Particulars of Raw Materials Consumed		
Value	98,28,230	85,92,503
B) Particulars of Turnover and Goods produced		
i. Opening Stock	85,93,350	18,43,000
ii. Sales	2,04,41,658	4,17,96,457
iii. Closing Stock	1,39,77,126	85,93,350

SIGMA MICROSYSTEMS PRIVATE LIMITED

	2008-09 Rs.	2007-08 Rs.
C) Value of Imports on CIF basis	51,74,471	97,23,261
D) Value of Raw Material, Stores and Spares		
i. Raw Material		
a) Imported	50,59,499	94,15,119
b) Indigenous	41,68,124	47,27,734
ii. Stores & Spares		
a) Imported	NIL	NIL
b) Indigenous	NIL	NIL

3. Managerial Remuneration

Particulars	For the year 2008-09	For the Year 2007-08
Managing Director		
Remuneration	9,52,242	11,68,800
Perquisites	NIL	NIL
Commission on Net profits	NIL	NIL
Directors		
Remuneration	13,90,091	16,96,800
Perquisites	NIL	NIL
Commission on Net profits	NIL	NIL
Total	23,42,333	28,65,600

4 Auditors Remuneration		
Statutory Audit Fee (Excluding Service Tax)	25,000	25,000
Tax Audit Fee(Excluding Service Tax)	25,000	25,000
5. Contingent Liabilities not provided for	NIL	NIL

6. Expenditure in foreign currencies		
i. Raw Material		
Imported	50,59,499	94,15,119
ii. Stores and Spares		
Imported	NIL	NIL

7. Related Party Disclosure: (AS- 18)

a) Name of the related parties .

i. Holding Company	Rossell Tea Limited
ii. Key Management Personnel	Managing Director: C. Damodar Reddy Directors: 1. P. V. Sanjay 2. AVM D. K. Sen

b) Aggregate Related Party disclosures for the Year 2008-2009.

Particulars	Holding Company			Key Management Personnel		
	Opening Balance	Transactions During the Year	Closing Balance	Opening Balance	Transactions During the Year	Closing Balance
Remuneration	—	—	—	—	23,42,333	—
Loans	1,15,74,511	21,57,633	94,16,878	82,70,000	20,99,397	1,03,69,397

8. Debit and Credit balances are subject to confirmation.

9. Previous year figures have been regrouped/rearranged wherever necessary

As per our report of even date

for G.P. ASSOCIATES
Chartered Accountants

CA.P.A. RAMAIAH
Partner

Place: Hyderabad
Date: 01.06.2009

For and on behalf of the Board

C.DAMODAR REDDY
Managing Director

P.V. SANJAY
Director

ROSSELL TEA LIMITED

STATEMENT OF APPROXIMATE AREA, CROP AND YIELD

TEA ESTATES	Tea Bearing Area in Hectares	Crop (Kgs.) 2008-2009	Yield per Bearing Hectare
DIKOM	647	12,63,187	1,952
NOKHROY	324	7,39,406	2,282
NAGRIJULI	581	10,15,099	1,747
BOKAKHAT	304	5,11,862	1,684
ROMAI	314	7,10,556	2,263
TOTAL	2,170	42,40,110	1,954

ROSSELL TEA LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the FIFTEENTH ANNUAL GENERAL MEETING of the Company at Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017 at 4.00 p.m. on Friday, the 31st July, 2009.

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

Folio No. / DP ID No. * & Client ID No.*

* Applicable for members holding shares in electronic form.

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

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

ROSSELL TEA LIMITED

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

PROXY FORM

I/We
of being at Member/Members of ROSSELL TEA LIMITED
hereby appoint of
or failing him/her of
or failing him/her of
as my/our Proxy to attend and vote for me/ us and on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held on Friday, the 31st July, 2009 at 4.00 p.m. and at any adjournment thereof.

Dated this day of 2009.

Signed by the said _____

Affix
Revenue
Stamp

Folio No. / Client ID No.

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

