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ROSSELL TEA LIMITED

BOARD OF DIRECTORS

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

VICE PRESIDENT (FINANCE) CUM COMPANY SECRETARY

N. K. Khurana

AUDITORS

S. S. Kothari & Co.

BANKERS

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

REGISTERED OFFICE

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

ROSSELL TEA LIMITED

Notice to the Members

Notice is hereby given that the Sixteenth Annual General Meeting of Rossell Tea Limited, will be held on **Thursday, 29th July, 2010 at 3.30 P.M. at Gyan Manch, 11, Pretoria Street, Kolkata – 700 071**, to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2010 and Reports of the Directors and Auditors thereon.
2. To confirm the payment of interim Dividend and to declare a Final Dividend for the year ended 31st March, 2010 on the Equity Shares.
3. To appoint a Director in place of Mr. H. M. Parekh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. L. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions:
“**RESOLVED THAT** pursuant to the 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. C. S. Bedi, Managing Director for a further period of 3 years from 1st October, 2010 to 30th September, 2013 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.1,65,000 only per month in the scale of Rs.1,50,000 – Rs.2,00,000. Future increments during his tenure shall be merit-based and at the discretion of the Board within the aforesaid scale.

2. Perquisites and Allowances

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

- i) **Housing:** Rent-free furnished accommodation, for which rent shall not exceed 50% of the salary, and the expenditure on gas, electricity, water and furnishing thereof shall not exceed 10% of the salary. In case no accommodation is provided, House Rent Allowance upto 50% of the salary shall be payable to Mr. Bedi.
- ii) **Medical:** Reimbursement of expenses incurred for self and family, subject to a ceiling of one month's salary in one year or three months' salary over a period of three years and payment of annual premium for the medical policy for self and family taken as per the Rules of the Company.
- iii) **Leave Travel Allowance:** For self and family, once in the year in accordance with the Rules of the Company.

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

- 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.
- b) **Gratuity** payable at a rate not exceeding half a month's salary for each completed year of service or payment 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 for Car for use on Company's business, telephone at residence and a mobile telephone will not be considered as perquisites.

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

ROSSELL TEA LIMITED

3. Minimum Remuneration

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

4. Overall Remuneration

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

5. Earned Leave

Mr. Bedi shall be entitled to leave according to the Rules applicable to the managerial personnel.

6. Disentitlement to Director's Fees

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

7. Duties

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

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

By Order of the Board

N K Khurana

*Vice President (Finance)
cum Company Secretary*

Place: Kolkata
Date: 26th May, 2010

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.**
- The Register of Members and Share Transfer Books of the Company will remain closed from 26th July, 2010 to 29th July, 2010 (both days inclusive) for the purpose of this Annual General Meeting.
- The dividend on Equity Shares, if declared at the Meeting shall be paid to those Members whose names shall appear on the Company's Register of Members on 29th July, 2010 for Equity Shares held in physical form. In respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
- 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.
- Members/ Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
- Members are requested to
 - quote their Registered Folio Numbers / Client ID Nos. in all correspondences with the Company / with the Registrars; and
 - 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.
- The Members are requested to contact the Company's following Registrars and Share Transfer Agents for

ROSSELL TEA LIMITED

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

8. Dematerialisation of the Equity Shares of the Company

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

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

Registered Office:

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

By Order of the Board

N K Khurana

*Vice President (Finance)
cum Company Secretary*

Place: Kolkata

Date: 26th May, 2010

Explanatory Statement

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

Attached to the Notice convening the Sixteenth Annual General Meeting to be held on Thursday, 29th July, 2010.

Items No. 6

The existing terms of appointment of Mr. C. S. Bedi (Mr. Bedi), Managing Director is due to expire on 30th September, 2010. Accordingly, pursuant to Article 159 of the Articles of Association of the Company, the Board of Directors, in their Meeting held on 26th May, 2010 re-appointed Mr. Bedi for a further period of 3 years with effect from 1st October, 2010, 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 26th May, 2010 and accepted by the Board of Directors, as embodied in the resolution.

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

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

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

Registered Office:

Jindal Towers, Block 'B', 4th Floor,
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Kolkata 700 017

By Order of the Board

N K Khurana

*Vice President (Finance)
cum Company Secretary*

Place: Kolkata

Date: 26th May, 2010

ROSSELL TEA LIMITED

Statement pursuant to the requirement of Part II, Section II Clause 1(B) of Schedule XIII to the Companies Act, 1956 for Remuneration proposed to be paid to Mr. C. S. Bedi (Mr. Bedi), Managing Director

I. General Information:

(1) Nature of Industry

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

- (a) Cultivation, Manufacture and Sale of Black Tea.
- (b) Aviation Products and Services

(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 Technologies Division engaged in the business segment – Aviation Products and Services 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

	2009-2010	(Rs. in lacs) 2008-2009
Total Turnover	<u>7,646.41</u>	<u>5,751.78</u>
Operating Profit before interest and depreciation	<u>2,890.37</u>	<u>1,352.82</u>
Less: Interest	<u>227.11</u>	<u>209.53</u>
Profit before Depreciation	<u>2,663.26</u>	<u>1,143.29</u>
Less : Depreciation	<u>164.17</u>	<u>136.61</u>
Profit before Taxation	<u>2,499.09</u>	<u>1,006.68</u>

(5) Export performance and net foreign exchange earnings

Export Turnover	<u>1,697.93</u>	<u>1,085.01</u>
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(6) Foreign Investments and Collaborators, if any

During the year, the Company has invested Rs.1,20,01,177 in Foreign Currency to acquire 3,60,907 Ordinary Equity Shares of Singapore Dollar 1 each, fully paid up and Rs.1,83,48,000 in Foreign Currency to acquire 4,00,000 Preference Shares of US Dollar 1 each in RV Enterprizes Pte. Ltd., Singapore.

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 appointee :

(1) Background details

Mr. Bedi is B.A. (Hons.) and was a Tea Planter himself. He has acquired sufficient expertise in Cultivation, Manufacture and Marketing of Tea. Having worked with Rydak Syndicate Ltd., he has been with the Company since its inception and after working in various capacities, held the office of Executive Director from 1st April, 2003 to 30th September, 2007 and thereafter the office of Managing Director from 1st October, 2007 till date. His existing tenure of service as Managing Director is due to expire on 30th September, 2010.

(2) Past Remuneration

Mr. Bedi was paid the remuneration in terms of the resolution passed by the Members of the Company in the Annual General Meeting held on 28th July, 2008. The remuneration for the year 2008-2009 and 2009-2010 as the Managing Director was Rs.22.99 lacs and Rs. 25.04 lacs respectively.

(3) Recognition or Awards

Mr. Bedi is at present the Chairman of Tea Research Association (TRA) and Additional Vice Chairman of Indian Tea Association (ITA).

ROSSELL TEA LIMITED

(4) Job Profile and Suitability

Mr. Bedi has in-depth knowledge of Tea Industry, having worked in various capacities in the Company since its inception. Mr. Bedi has been the Managing Director of the Company for more than two years and entrusted with day to day functions of the Company under the supervision and control of the Board of Directors. With his background and vast knowledge, the performance of the Company has reached a new height. He is actively involved in the affairs of the Tea Industry by virtue of his position in Tea Research Association and Indian Tea Association. In view of this, he is eminently suited for re-appointment as Managing Director of the Company.

(5) Remuneration Proposed

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

(6) Comparative remuneration Profile with respect to Industry

Name of the Company	Designation	Total Remuneration Rs. in lacs	Year
Goodricke Group Ltd.	Managing Director	120.66	2009
Assam Company India Ltd.	Managing Director	66.00	2009
Warren Tea Ltd.	Managing Director	29.70	2008-2009

(7) Pecuniary Relationship

Except for the remuneration in consideration of his services rendered to the Company, Mr. Bedi has no pecuniary relationship with the Company. However, the Company has taken on rent a residential accommodation jointly owned by Mrs. & Mr. Bedi at a monthly rent of Rs.60,000.

III. Other Information :

(1) Reasons of Loss or inadequate Profit

The profit of the Company for the year ended 31st March, 2010 is considered to be adequate keeping in view the profitability of other Tea Companies as well as the performance of Aviation Products and Services business segment of the Company.

(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 of the Company's teas has been recognized in the trade. The Company has enlarged its marketing network and steps are afoot to expand the same. 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.

IV. Disclosures :

(1) Information on the Remuneration Package of Managing Director

The details of remuneration package of the Managing Directors are embodied in the Notes forming part to the Accounts of the year ended 31st March, 2010. The proposed Special Resolution for appointment of Managing Director provides the detailed information on the remuneration package.

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

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

ROSSELL TEA LIMITED

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

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

ROSSELL TEA LIMITED

Report of the Board of Directors for the year ended 31st March, 2010

Your Directors have pleasure in presenting their Sixteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

	<u>Year ended</u> <u>31.03.2010</u>	<u>Year ended</u> <u>31.03.2009</u>
	Rs. in Lacs	Rs. in Lacs
Profit before Interest and Depreciation	2,890.37	1,352.82
Less: Interest (Net of subsidy)	<u>227.11</u>	<u>209.53</u>
Profit before Depreciation	2,663.26	1,143.29
Less : Depreciation	<u>164.17</u>	<u>136.61</u>
Profit before Taxation	2,499.09	1,006.68
Less : Fringe Benefit Tax	-	12.50
Provision for Current Taxation	500.00	185.00
Deferred Taxation adjustment	<u>68.00</u>	<u>113.00</u>
Profit after Taxation	1,931.09	696.18
Balance Brought Forward	214.75	356.76
Transfer from Exchange Rate Variation Reserve	-	90.61
Profit available for Appropriation	<u>2,145.84</u>	<u>1,143.55</u>
Appropriated as under:		
General Reserve	1,500.00	800.00
Dividend on Equity Shares		
- Interim Paid @ 10%	73.39	-
- Final proposed @ 10% (2009-15%)	73.39	110.09
Tax on Dividend	24.95	18.71
Balance Carried Forward	<u>474.11</u>	<u>214.75</u>
	<u>2,145.84</u>	<u>1,143.55</u>

DIVIDEND

Your Directors at its Meeting held on 28th October, 2009 declared an interim dividend of Rs.1.00 per Equity Share of Rs.10 each in the Company. The Directors are now pleased to recommend to the Members, for their approval, a dividend of Rs.1.00 per Equity Shares of Rs.10 each in the Company aggregating Rs.2.00 per Equity Share i.e. 20% on the Equity Share Capital of the Company for the year ended 31st March, 2010, as against 15% paid for the year ended 31st March, 2009.

TURNOVER

The gross turnover of your Company, including the receipts for technical and support services was Rs.7,646.41 lacs for the current year as against Rs.5,751.78 lacs in the previous year.

Own crop during the year was 42.67 lac kgs. against 41.52 lac kgs. of the previous year. The total crop inclusive of bought leaf production was 42.89 lac kgs. as against 41.67 lac kgs. of the previous year.

ROSSELL TEA LIMITED

PERFORMANCE

Rossell Tea

The Directors view with utmost satisfaction your Company's performance during the year under review. The Company continued to build on the good performance of the recent past and achieved price averages which were among the highest in the Industry. With consistent quality levels your Company outperformed the market.

The Company continued its focus on the quality standards of its produce and maximized production of Orthodox Teas, which constitutes nearly 75% of its annual production. The CTC Teas produced during the year also met with good demand.

The Company continued to upgrade and modernize its manufacturing facilities. The Company's policy of uprooting and replanting to replace ageing bushes on the field is an ongoing development activity.

The Company's average for its produce for the year 2009-10 was Rs.159.68 per kg. as against Rs.128.46 for the year 2008-09, an increase of Rs.31.22 per kg. or 24.30% in 2009-10 over that of 2008-09. The average for Assam for the year 2009-10 stood at Rs.121.06 per kg. The averages fetched by the Company reflect the high quality standards achieved over the years.

Aviation Products and Services

During the year 2009-10, the turnover of the Company from Aviation Products and Services was Rs.839.24 lacs as against Rs.388.26 lacs in year 2008-09, indicating a growth of more than 116%. The profit before interest and tax also increased substantially to Rs.446.74 lacs as against a profit of Rs.87.54 lacs only in the previous year.

Aerotech Services Division has successfully signed long term agreement with multi national companies for providing product support services for their equipments fitted on various aircrafts, helicopters and ships in India. It is also involved in integration and installation of navigation equipments at more than 50 different locations all over India.

Vankesh Avionics Technologies became a Division of the Company in October, 2008 and was primarily involved in design and development. However, since the Company's take over, it has been converted into a production unit. Its main thrust areas are harness and loom manufacturing, testing and integration, system integration, design and development of Automatic Test Equipments (ATEs) for ground testing of aircraft and spacecraft sub-systems.

PROSPECTS

Rossell Tea

The season 2010 – 11 commenced with a very large global mismatch of supply and demand due to poor crops in 2009 – 10 in Kenya and Sri Lanka. However in a matter of months the crop situation reversed itself in India, Kenya and Sri Lanka, and by end – March, 2010 world crops were +82.9 million kgs. (+35%). This has to an extent changed the scenario somewhat on the supply side despite reports of a drought in China. Demand thus far has been good and prices overall higher than last year for the orthodox categories, whilst CTCs are marginally lower.

In the immediate term we expect prices to rule firm during June and July, 2010. However as larger quantities come to the market, August, 2010 onwards, quality will determine price levels. Your Company feels the continued emphasis on a quality product could alleviate any negative trends due to larger crops worldwide.

Despite the changed scenario your Directors view the year ahead with cautious optimism.

Aviation Products and Services

Vankesh Avionics Technologies Division is supplying equipments to various Public Sector Undertakings such as Bharat Dyamics Ltd., Bharat Electronics Ltd., Hindustan Aeronautics Ltd, various Defence Research & Development Organisations etc. As stated earlier Aerotech Services already has certain long term agreements in place.

ROSSELL TEA LIMITED

We expect to avail further opportunities that are emerging from the Government of India's Defence offset rules for multinational companies through our avionics related products.

Thus, the overall performance of Aviation Products and Services business segments of the Company is expected to be good in the medium to long term.

STAFF WELFARE AND SOCIAL ACTIVITIES

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

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

a. **Environment**

To adopt environmental friendly agriculture and good manufacturing practices.

b. **Education**

Well equipped schools for workers' children at all Estates.

c. **Health**

- i. Clean potable water for the entire population in the area where our Estates are located.
- ii. Well equipped hospital with trained staff.
- iii. A sanitation scheme in partnership with UNICEF.
- iv. Organizing camps for eye care, pulse polio for children and regular camps for sterilization.
- v. At the grass root level mothers club to disseminate information on health, hygiene and alcoholism.
- vi. Vocational centres for knitting and tailoring.
- vii. Malaria prevention scheme.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in preparation of the Company's Annual Accounts for the year ended 31st March, 2010 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, 2010 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, 2010 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.