

**ROSSELL INDIA LIMITED**  
(Formerly ROSSELL TEA LIMITED)

**BOARD OF DIRECTORS**

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

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

N. K. Khurana

**AUDITORS**

S. S. Kothari & Co.  
Chartered Accountants

**BANKERS**

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

**REGISTERED OFFICE**

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

**CONTENTS**

	<b>Page</b>
Notice	2
Directors' Report	6
Report on Corporate Governance	15
Auditors' Report	25
Balance Sheet	28
Profit and Loss Account	29
Schedules to the Balance Sheet	30
Schedules to the Profit and Loss Account	36
Notes to Accounts	38
Cash Flow Statement	49
Statement Regarding Subsidiary Companies	51
Consolidated Financial Statements	53

**ROSSELL INDIA LIMITED**  
(Formerly ROSSELL TEA LIMITED)

**Notice to the Members**

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

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

**SPECIAL BUSINESS**

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

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

By Order of the Board

Place : Kolkata  
Date : 18th May, 2011

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

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**NOTES :**

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

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

7. **Unpaid Dividend**

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

8. **Unclaimed Equity Shares**

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

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

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

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

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

11. **Green Initiative in Corporate Governance**

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

**ROSSELL INDIA LIMITED**  
(Formerly ROSSELL TEA LIMITED)

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

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

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

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

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

By Order of the Board

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

Place : Kolkata  
Date : 18th May, 2011

**Explanatory Statement**

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

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

**Item No. 5**

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

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

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

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

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By Order of the Board

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

Place : Kolkata  
Date : 18th May, 2011

**ROSSELL INDIA LIMITED**  
(Formerly ROSSELL TEA LIMITED)

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

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

**ROSSELL INDIA LIMITED**  
(Formerly ROSSELL TEA LIMITED)

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

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

**CHANGE OF NAME OF THE COMPANY**

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

**SUB DIVISION OF EQUITY SHARES**

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

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

**DIVIDEND**

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

**TURNOVER**

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

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

**ROSSELL INDIA LIMITED**  
**(Formerly ROSSELL TEA LIMITED)**

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

## **PERFORMANCE**

### **Rossell Tea**

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

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

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

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

### **Aviation Products and Services**

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

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

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

## **PROSPECTS**

### **Rossell Tea**

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

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

### **Aviation Products and Services**

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

## **STAFF WELFARE AND SOCIAL ACTIVITIES**

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

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

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

a. **Environment**

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

b. **Education**

Well equipped schools for workers children at all Estates.

c. **Health**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

**CORPORATE GOVERNANCE**

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

**DIRECTORS**

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

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

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



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### (a) Industry Structure & Developments

#### Rossell Tea

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

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

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

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

#### Aviation Products and Services

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

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

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

### (b) Opportunities and Threats

#### Rossell Tea

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

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

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

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

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

#### Aviation Products and Services

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

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

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

**(c) Segment wise Business Performance**

**Rossell Tea**

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

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

**Aviation Products and Services**

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

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

**(d) Outlook**

**Rossell Tea**

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

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

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

**Aviation Products and Services**

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

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

**(e) Risk and Concerns**

**Rossell Tea**

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

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

**Aviation Products and Services**

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