

ROSSELL INDIA LIMITED



Date : 9th August, 2016

Department of Corporate Services BSE Limited Ground Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400 001 Scrip Code: 533168	National Stock Exchange of India Limited Listing Department, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol : ROSSELLIND	The Secretary The Calcutta Stock Exchange Ltd., 7, Lyons Range, Kolkata – 700 001
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Dear Sir,

Sub: Submission of Annual Report

In terms of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Annual Report of the Company for the Financial Year ended 31st March, 2016, which was approved and adopted by the Members at the 22nd Annual General Meeting of the Company held on 3rd August, 2016.

Please note that the Annual Report contains all the items as specified in Regulation 34(2) and 34(3) of the aforesaid Regulations, save and except the Business Responsibility Report, not applicable to us.

Yours faithfully,
For ROSSELL INDIA LTD.

(N K KHURANA)
CHIEF FINANCIAL OFFICER
-cum-COMPANY SECRETARY

Encl : As above

Rossell Tea



Rossell Techsys

Aerospace and Defense



Rossell Hospitality

KEBAB XPRESS



Rossell India Limited

Annual Report | 2015-2016

Corporate Information

BOARD OF DIRECTORS

H. M. Gupta, *Executive Chairman (KMP – Chief Executive Officer)*
Dr. S. S. Baijal, *Non-Executive-Independent Director*
H. M. Parekh, *Non-Executive-Independent Director*
V. P. Agarwal, *Non-Executive-Independent Director*
C. S. Bedi, *Managing Director (KMP)*
N. Palchoudhuri, *Non-Executive Non-Independent Director*

AUDIT COMMITTEE

Dr. S. S. Baijal, *Non-Executive-Independent Director (Chairman)*
H. M. Parekh, *Non-Executive-Independent Director (Member)*
V. P. Agarwal, *Non-Executive-Independent Director (Member)*
N. Palchoudhuri, *Non-Executive Non-Independent Director (Member)*

NOMINATION AND REMUNERATION COMMITTEE

H. M. Parekh, *Non-Executive-Independent Director (Chairman)*
Dr. S. S. Baijal, *Non-Executive-Independent Director (Member)*
V. P. Agarwal, *Non-Executive-Independent Director (Member)*

STAKEHOLDERS' RELATIONSHIP COMMITTEE

H. M. Parekh, *Non-Executive-Independent Director (Chairman)*
V. P. Agarwal, *Non-Executive-Independent Director (Member)*
C. S. Bedi, *Managing Director (Member)*

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Dr. S. S. Baijal, *Non-Executive-Independent Director (Chairman)*
V. P. Agarwal, *Non-Executive-Independent Director (Member)*
C. S. Bedi, *Managing Director (Member)*

RISK MANAGEMENT COMMITTEE

H. M. Parekh, *Non-Executive-Independent Director (Chairman)*
N. Palchoudhuri, *Non-Executive Non-Independent Director (Member)*
C. S. Bedi, *Managing Director (Member)*

CHIEF FINANCIAL OFFICER -CUM-COMPANY SECRETARY

N. K. Khurana (KMP)

AUDITORS

S. S. Kothari & Co.,
Chartered Accountants

BANKERS

Commonwealth Bank of Australia
HDFC Bank Limited
Kotak Mahindra Bank Limited
The Federal Bank Limited

REGISTERED OFFICE

Jindal Towers, Block 'B', 4th Floor,
21/1A/3, Darga Road, Kolkata - 700017

KMP – (Key Managerial Personnel)

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Report of the Board of Directors

for the year ended 31st March, 2016

Dear Members,

Your Directors have pleasure in presenting their Twenty Second Annual Report together with the Audited Accounts for the year ended 31st March, 2016.

FINANCIAL SUMMARY HIGHLIGHTS

₹ in Lakhs

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Profit before finance cost and Depreciation	2,850.11	2,255.81
Less : Finance Cost	691.48	724.45
Profit before Depreciation	2,158.63	1,531.36
Less : Depreciation	953.01	956.41
Profit before Exceptional Items	1,205.62	574.95
Exceptional Items	—	—
Profit before Taxation	1,205.62	574.95
Less : Provision for current Taxation		
Current year	300.00	170.00
Earlier Years	100.00	—
Deferred Taxation adjustment	(151.84)	4.48
Profit After Taxation	957.46	400.47
Add : Balance brought forward	450.36	370.06
Profit available for appropriation	1,407.82	770.53
Appropriated as under :		
General Reserve	700.00	100.00
Dividend on Equity Shares		
Interim Dividend @ 25%	183.48	—
Final Dividend Proposed Nil (2015-25%)	—	183.48
Tax on Dividend	37.35	36.69
Balance carried forward	486.99	450.36
	1,407.82	770.53

SHARE CAPITAL

During the year under review:

- No Equity shares have been issued with differential voting rights. Hence, no disclosure is required in terms of Rule 4 (4) of Companies (Share Capital and Debentures) Rules, 2014.
- No issue of Sweat Equity Share has been made. Hence, no disclosure is required in terms of Rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014.
- There was no issue of Employee Stock Option. Hence, no disclosure is required in terms of Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014.
- There was no provision made by the Company for any money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence, no disclosure is required in terms of Rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014.
- The issued, subscribed and paid up share capital of the Company as on 1st April, 2015 at ₹ 733.93 lakhs divided into 3,66,96,475 of ₹ 2 each remained unchanged as on 31st March, 2016.

APPROPRIATION OF PROFIT AFTER TAX FOR TRANSFER TO RESERVES

Your Directors proposed to transfer a sum of ₹ 700 lakhs to General Reserve before declaration of any dividend in terms of first proviso to Sec. 123(1) of the Companies Act, 2013.

DIVIDEND

The Company has paid an interim dividend of ₹ 0.50 per Equity Share of ₹ 2 each during the year under review. With a view to conserve resources for the future requirements, your Directors have not recommended any final dividend for approval of the

Report of the Board of Directors

Members. Therefore, the interim dividend of ₹ 0.50 per Equity Share of ₹ 2 each, as declared by the Board at their Meeting held on 16th March, 2016 is the total dividend on the Equity Shares of the Company for the financial year ended 31st March, 2016.

THE STATE OF COMPANY'S AFFAIRS

REVENUE

The gross revenue from operations of your Company including sale of tea, avionics equipment, receipts from technical and support services and sale of food and beverages by Kebab Xpress was higher at ₹ 15,751.98 lakhs for the year under review as against ₹ 14,049.96 lakhs in the previous year. The Company has also sold for the first time, Black Pepper worth ₹ 4.35 lakhs in the year under review.

PERFORMANCE

Rossell Tea

The Directors view with great satisfaction the performance of Rossell Tea Division for the year 2015-2016. The Division continued to produce teas which achieved once again, the highest quality and price standards in the tea industry, in keeping with its past performance. Our teas continued to be a benchmark for top quality teas out of Assam be it orthodox or CTC.

The year 2015 began on the back of very poor winter rains, with the dry period extending from October 2014 – March 2015. Cropping therefore, was poor in the first quarter. A poor June 2015 crop translated into smaller second flush offers for export to the continent. Thereafter due to heavy rains on some estates and poor precipitation on others, crops fell away through to November. Earlier in the year Romai T.E. was hit by a severe hailstorm and the crop loss was ascertained at 1.30 lakh kgs. i.e. 21% of the estate crop.

Between October 2015 and March 2016 tea growing areas in Assam, with few exceptions had useful winter rains. This resulted in a near record crop in March 2016, which to an extent salvaged the crop situation and the Division finished the year +3.87% i.e. 1.89 lakh kgs. ahead of 2014-2015. This is a satisfactory situation given Romai T.E.'s loss due to hailstorm of 1.30 lakh kgs. Overall the Division's improved performance on the crop front, was foreshadowed by the crop loss due to hail damage at Romai.

The start of the season saw large offerings prior to the implementation of the Plant Protection Code. These volumes were carried into the new season depressing the market. Thereafter, the market quickly segmented itself and the better produce of CTC teas of the new season met with strong demand and were clearly rewarded. The orthodox market, where the carry-forward stock was negligible at the auction centers, started on a subdued note, owing to high stock in the Middle Eastern countries. As the season progressed, we continued to see a strong demand and better price realization for quality CTC teas, but reduced demand for quality orthodox whole leaf grades in particular, which sold at lower levels than 2014. The Euro being weaker against previous year, also affected the export price realization of orthodox category to the European markets. Year 2015 also saw production of about 5.00 million kgs. extra orthodox tea in Assam, increasing the availability and making the competition more severe than other years.

However, despite of all these odds, our orthodox average for the period under review is ₹ 261.06 against ₹ 249.20 per kg. of last year and the Assam district orthodox average of ₹ 219.61 clearly indicating Rossell's capability of producing premium quality of orthodox backed with strong marketing abilities. In the CTC category, our average for the same period was ₹ 221.17 against ₹ 196.83 per kg. of last year and Assam district average of ₹ 153.76 per kg., which is indicative of the fact that your Company produced some excellent quality CTC, as well, during 2015, which was amply rewarded by the buyers.

On the export front, the Division performed under several challenges, owing to availability of more quantity of orthodox. The Euro was weak during the quality period and thereafter, there was very slow opening of LCs from Iran as also delayed payments. This Division constantly fought the odds and finished the year with 1.48 million kgs. of export, which is marginally behind last year's figure of 1.51 million kgs. However, our quantity of exports increased to the quality conscious markets in Germany, UK and USA, and we have initiated shipments to a new buyer in UAE. The marginal shortfall is owing to slightly lower shipments to Iran. The price realization, however, increased by ₹ 12.04 per kg. over the previous year.

At Rossell Tea, as in the past, we continued to maintain a judicious product-mix. This allowed each estate to perform to its core competence and to sustain the profitability. Our policy of prudent cost management and productivity enhancement despite lower crop, has helped us to negate the inflationary pressures.

Aided by erratic weather, pest activity was heightened through the year and due to climate change and continuing deforestation along the tea belt, this has become a major cost sink. Climate change poses its unique challenges to the cultivation of tea, in as much increasing temperatures and declining water tables during the dry months majorly affect crop. Erratic rainfall in the monsoon continues to lead to increased flooding as well as water logging and loss of quality at times.

The Company has during the year continued to strengthen its assets through upgradation. Investments in the areas of worker housing and hygiene saw a further increase. Modernization and upgradation in factories continued in this financial year 2015-



Report of the Board of Directors

2016. The Company entered its 15th year of uprooting and replanting activity. This is a part of a long term strategy to strengthen the tea fields and improve the quality quotient in the field. Further enhancement of irrigation assets was undertaken at Dikom and Nokhroy T.Es.

Aviation Products and Services

Aerotech Services continues to provide techno-logistic support to global Original Equipment Manufacturers (OEMs) for their equipment fitted on various Indian platforms. During the year under review we were approached by an existing OEM for providing logistic support on another project and the same has been contracted for a period of 5 years. For the contracts signed in recent years, our Field Service Engineers (FSEs) have been trained by the OEMs and are performing well. The Division continues to enhance its business to the satisfaction of the OEMs and customers.

In the financial year 2015-2016, the Rossell Techsys Division enhanced its overseas business and strengthened its relationship with its overseas customers. It expended resources, finances and energies to increase the spread of business across multiple platforms. The Division continues its strategy to gain foreign, export oriented business and to acquire domestic business only where it would gain access to skill building avenues that could thereafter, be utilized in gaining more foreign OEM business. The Division revenues increased by over 123% as compared to the FY 2014-2015 and order booking were substantially higher at 62%. There were also a lot of gains in intangible terms. The Division has now firmly established itself with respect to repute, capability, capacity and reliability in the wire harness and looming competency.

The Division is certified to AS:9100, ISO:9001, ISO:14001, ISO:27001 and OHSAS:18001. The Division is also CEMILAC approved. It has achieved Gold rating both on quality and delivery with its premiere US based A&D customer Boeing for the last two years and also won the 'Supplier of the Year' award in the Pathfinder Category out of more than 13,000 active suppliers worldwide.

Rossell Techsys has established itself as an Indian supplier that is truly global, with its quality, timeliness, people, processes and infrastructure credentials.

Rossell Hospitality

During the year under review, Kebab Xpress is getting a better footprint in the market and its brand recognition is being felt. The Division's Same Stores Sales (SSS), year on year, have grown by substantially. The brand 'Kebab Xpress' is strengthening its digital presence by completely revamping the brand website and engaging the customers on social media platforms with innovative, relevant and engaging content. As on 31st March, 2016 Kebab Xpress has its 10 operating outlets in NCR as compared to 9 outlets that of the previous year.

Consistency in quality, excellent service, conducive ambience and high level of hygiene at the outlets are well appreciated by the customers. Thus, Sales during the year was ₹ 1,150.85 lakhs against ₹ 878.19 lakhs in the previous year, indicating the growth of 31.05%.

PROSPECTS

Rossell Tea

Most tea growing areas had favourable growing conditions for the first three months of 2016. This has resulted in Kenyan crop for the first two months itself being higher by 28.35 million kgs. Sri Lankan crop for January and February are at par with last year.

We expect price levels to settle down by early June, 2016 and prospects for quality teas will be good. 'Quality' will continue to be rewarded and the quality segmentation seen last year will continue. The estates continue to perform to their quality potential, be it CTC or orthodox. Our performance in fiscal 2015-2016 indicates that we are well armed to outperform the market and retain our standing as one of the most profitable enterprises in the Assam tea industry.

Exports will continue to be a key area despite 2015 being a highly competitive and difficult year. While strengthening our traditional markets, we are also exploring new markets with the objective of increasing value and volumes.

There are of course two concerns emerging:

- i) Tea growing being an agro horticultural activity, needs stable climate conditions i.e. temperatures and well distributed rainfall. This, as has been reported earlier, has now been vitiated by climate change and hence these concerns exist.
- ii) Increase in cost of production is also an emerging concern. Labour wages and cost of other inputs such as food grains, could put pressure on performance, unless of course higher prices are forthcoming.

These concerns, nonetheless, are seen as an opportunity and a challenge to perform better, much like this Division has done in the years gone by.

Report of the Board of Directors

Aviation Products and Services

Aerotech Services is currently executing five techno-logistic product support contracts. The Government of India has accorded highest priority for "Make in India" initiative, which focuses on making India a global manufacturing hub.

In the coming years, with greater participation of Indian industry, manufacturing defense equipment in India, opportunities will also arise for product maintenance support, repair and overhaul of the equipment.

Rossell Techsys Division has created a niche for itself in the wire harness competency, by virtue of its quality credentials in executing orders from foreign OEMs. The Division is projected to experience enhanced traction in its wire harness competency due to its association with companies like Boeing, the Division should see significant increase in revenue in years 2016-2017 onwards. The number of RFPs being received from foreign OEMs has increased significantly with a success rate of 75%. The Division is attempting to improve its prospects on adjacent business opportunities such as electrical panels.

The growth prospects have resulted in the Division adding additional space, the total now being approximately 75,000 square feet.

Rossell Hospitality

The Division intends operating a total of 30 outlets in NCR in the financial year 2016-2017 with 2 outlets already made operational as of now and target to achieve at least double the turnover.

CHANGE IN NATURE OF BUSINESS, IF ANY

There has been no change in any business and all the Divisions of the Company continue to concentrate on their own business with growth plans in short to medium terms.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The tenure of office of Mr. C. S. Bedi, Managing Director, will expire on 30th September, 2016. Accordingly, the Board on recommendation of the Nomination and Remuneration Committee, at its meeting held on 30th May, 2016 has re-appointed Mr. C. S. Bedi as Managing Director for a further period of 3 years from 1st October, 2016 to 30th September, 2019, subject to approval by the Members of the Company by way of Special Resolution, in the ensuing 22nd Annual General Meeting in terms of Section 188, 196, 197 read with Sec I and Sec II, Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with the Policy of the Company on Related Party Transactions.

The following persons continued as Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013 :

- a) Mr. H. M. Gupta - Chief Executive Officer (CEO)
- b) Mr. C. S. Bedi - Managing Director, and
- c) Mr. N. K. Khurana - Chief Financial Officer-cum- Company Secretary

Remuneration and other details of the Key Managerial Personnel for the Financial Year ended 31st March, 2016 are mentioned in the Extracts of the Annual Return in Form MGT-9 which is enclosed as Annexure - 3 and forms part of this Report.

INDEPENDENT DIRECTOR'S DECLARATION

The Declarations required under Section 149(7) of the Companies Act, 2013 from the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, was duly received by the Company.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and as stipulated in Clause 49 of the Listing Agreement till 30th November, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from 1st December, 2015 onwards.

A separate report on Corporate Governance in terms of Regulation 34(3) read with clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with certificate from the Practicing Company Secretary confirming the compliance, is annexed as Annexure-1 and forms part of this Report.



Report of the Board of Directors

DETAILS OF BOARD MEETINGS

The Board of Directors met 5 (five) times during the financial year 2015-2016 on various dates as given here-in-below:

Sl No.	Date of the meeting	No. of Directors attended the meeting
1.	29th May, 2015	6
2.	30th July, 2015	6
3.	2nd November, 2015	6
4.	10th February, 2016	6
5.	16th March, 2016	6

Further details on Board of Directors are provided in the Corporate Governance Report.

COMMITTEES OF THE BOARD

a. Audit Committee

The Board has constituted the Audit Committee which comprises of the following Directors:

Sl. No.	Name	Category of Director	Chairman/ Members
1.	Dr. S. S. Baijal	Non-Executive-Independent	Chairman
2.	Mr. H. M. Parekh	Non-Executive-Independent	Member
3.	Mr. V. P. Agarwal	Non-Executive-Independent	Member
4.	Ms. Nayantara Palchoudhuri	Non-Executive Non-Independent	Member

During the year under review, the Board has accepted all the recommendations made by the Audit Committee.

Further details of Audit Committee related to dates of Meeting held during the year, attendance of Directors etc. are given separately in the attached Corporate Governance Report.

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board has been constituted by the following Directors:

Sl. No.	Name	Category of Director	Chairman/ Members
1.	Mr. H. M. Parekh	Non-Executive-Independent	Chairman
2.	Dr. S. S. Baijal	Non-Executive-Independent	Member
3.	Mr. V. P. Agarwal	Non-Executive-Independent	Member

Further details of Nomination and Remuneration Committee related to dates of Meeting held during the year, attendance of Directors etc. are given separately in the attached Corporate Governance Report.

c. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board has been constituted by the following Directors:

Sl. No.	Name	Chairman/ Members
1.	Dr. S. S. Baijal	Chairman
2.	Mr. V. P. Agarwal	Member
3.	MR. C. S. Bedi	Member

Further details of Corporate Social Responsibility Committee related to dates of Meeting held during the year, attendance of Directors etc. are given separately in the attached Corporate Governance Report.

The Committee had framed the CSR policy and the same was approved by the Board at its Meeting held on 6th August, 2014. The CSR Policy is available on Company's website at www.rossellindia.com. The CSR budget for the financial year 2015-2016 was prepared in accordance with the provisions of Section 135 (5) of the Companies Act, 2013 read with the Company's CSR Policy. The amount, so budgeted, was fully spent on or before 31st March, 2016. The detailed report on CSR Activities/ Initiatives is enclosed as Annexure-2 which forms part of this Report.

d. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee of the Board has been constituted by the following Directors:

Sl. No.	Name	Chairman/ Members
1.	Mr. H. M. Parekh	Chairman
2.	Mr. V. P. Agarwal	Member
3.	MR. C. S. Bedi	Member

Report of the Board of Directors

Further details of Stakeholders Relationship Committee related to dates of Meeting held during the year, attendance of Directors etc. are given separately in the attached Corporate Governance Report.

e. Risk Management Committee

Your Board at its meeting dated 14th November, 2014, has constituted Risk Management Committee of the Board consisting of the following Directors:

Sl. No.	Name	Chairman/ Members
1.	Mr. H. M. Parekh	Chairman
2.	Ms. Nayantara Palchoudhuri	Member
3.	MR. C. S. Bedi	Member

Further details of Risk Management Committee related to dates of Meeting held during the year, attendance of Directors etc. are given separately in the attached Corporate Governance Report.

ANNUAL PERFORMANCE EVALUATION

In terms of the relevant provisions of the Companies Act 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had carried out an annual evaluation of its own performance and that of its Committees as well as individual Directors.

A structured questionnaire was prepared after taking into consideration different views received from the Directors, covering various aspects of the Board's functioning such as adequacy of the Board's composition and structure, Board's culture, execution and performance of specific duties, obligations and governance, effectiveness of Board processes etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like attendance in the meeting, preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Executive Chairman was also evaluated on the key aspects of his role.

The Independent Directors also carried out the Performance Evaluation in terms of Clause VII (3) (c) of Schedule IV to the Companies Act, 2013 read with Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at their separate Meeting held on 9th February, 2016.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is given as Annexure- 3.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) read with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has duly established Vigil Mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of company's code of conducts or ethics policy. Audit Committee of the Board monitors and oversee the vigil mechanism.

The detailed policy related to this vigil mechanism is available in the Company's website at www.rossellindia.com.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 and confirm that:

- in the preparation of the annual accounts for financial year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2016, and of the profit and loss of the Company for that period;
- 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 detecting fraud and other irregularities;



Report of the Board of Directors

- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

M/s. S. S. Kothari & Co., Chartered Accountants, Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting. In terms of third proviso to Sec. 139 (2) of the Companies Act, 2013, they are eligible to be re-appointed and accordingly, they offer themselves for re-appointment. The Audit Committee has recommended their appointment as Statutory Auditors of the Company to hold office till the conclusion of the 23rd Annual General Meeting.

The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark or disclaimer, which requires any further comments or explanations in this report. The Notes to the Financial Statements are also self-explanatory and do not call for any further comments.

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with Rule 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to have the audit of its cost accounting records relating to plantations product manufactured by Rossell Tea Division. M/s. Shome & Banerjee, Cost Accountants, conducted this audit for the Previous Financial Year ended 31st March, 2015 and submitted their report to the Central Government on 19th November, 2015.

In terms of Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company had, on the recommendation of the Audit Committee, re-appointed M/s. Shome & Banerjee, Cost Accountants as the Cost Auditor of the Company for the financial year 2016-2017.

Their remuneration is required to be ratified by the Members in the ensuing Annual General Meeting.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. A.K. Labh & Co., Practicing Company Secretaries as the Secretarial Auditors of the Company for the financial year 2015-2016. The report of the Secretarial Auditors in Form MR-3 is enclosed as Annexure-4 to this report.

The report confirms that the Company had complied with the statutory provisions listed under Form MR-3 and the Company also has proper board processes and compliance mechanism. The Report does not contain any qualification, reservation or adverse remark or disclaimer, which requires any further comments or explanations in this report.

RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. All related party transactions are presented to the Audit Committee and the Board, if required for approval. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. Related party transactions policy as approved by the Board is uploaded on the Company's website at the web link: <http://www.rossellindia.com/financialresult/Policy%20on%20Related%20Party%20Transactions.pdf>

Necessary disclosure of Related Party Transactions in terms of clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is given in Form AOC-2 as Annexure-5 to this report.

LOANS, GUARANTEES OR INVESTMENTS

Your Company has not provided any Guarantee for any party. During the year under review, the Board has approved to grant an inter-corporate loan, repayable on demand, to CAE Rossell India Ltd., Wholly Owned Subsidiary, upto a sum not exceeding ₹10 lakhs carrying an interest @ 10% p.a. being not lower than prevailing yield of 5 years Government Security, in terms of the provisions of Section 186 of the Companies Act, 2013.

Out of the above limit sanctioned by the Board, an amount of ₹ 5 lakhs was actually disbursed to CAE Rossell India Ltd during the year and the same remain outstanding as on 31st March, 2016. (Note No. L) Particulars of investments under section 186 of the

Report of the Board of Directors

Companies Act, 2013, as required to be disclosed in terms of Section 134(1)(g) of the Act, has been provided in the accompanying financial statement (Note No. K).

STATEMENTS OF SUBSIDIARIES / JOINT VENTURES

The wholly owned subsidiary, CAE Rossell India Limited, did not carry out any activity during the year under review. However, it had received a Request for Proposal (RFP) from Boeing for P-8i POSEIDON Program for "Visual Database" which is required for P-8i Aircraft, purchased by the Indian Navy. Your Directors look forward to the new project in the years ahead.

Your Company has a Joint venture entity named RV Enterprises Pte. Ltd., Singapore in which Company holds 26% Equity Share.

Accompanying Consolidated Financial Statement contains details financials of the Subsidiary / Joint Venture.

RISK MANAGEMENT POLICY

Your Company's business faces various risks - strategic as well as operational in respect of all its Divisions. The Company has an adequate risk management system which takes care of identification, assessment and review of risks as well as their mitigation plans put in place by the respective risk owners. The risks which were being addressed by the Company during the year under review included risks relating to market conditions, environmental, information technology etc. The Company has developed and implemented the Risk Management Policy with an objective to provide a more structured framework for proactive management of all risks related to the business of the Company and to make it more certain that growth and earnings targets as well as strategic objectives are met.

The major risks and concerns being faced by various business segments of the Company are discussed in report on Management Discussion and Analysis, forming part of this Report.

Your company has constituted Risk Management Committee of the Board in the manner stated in Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Risk Management Committee periodically reviews the risk assessment and minimization procedure in the light of the Risk Management Policy of the Company.

In the opinion of the Board, there is no such element of risk which may threaten the present existence of the Company.

REMUNERATION POLICY

The Company follows a policy on Remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. Further details on the same have been given in the Report on Corporate Governance, which forms part of this report.

The required disclosure under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure- 6 to this report.

HUMAN RESOURCES

Your Company treats its "human resources" as one of the most important assets. The Management of the Company lays continuous focus on human resources, who are trained from time to time to attain the required standards. The correct recruitment practices are in place to attract the best technical manpower to ensure that the Company maintains its competitive position with respect to execution. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis.

Industrial relations at all the units remain satisfactory. Your Company employed 6,201 personnel on its roll as on 31st March, 2016.

For the year under review, the particulars of employees who were in receipt of remuneration which is the aggregate was not less than rupees sixty lakhs and employed throughout the financial year is given in Annexure- 7 to this report.

The Company did not have any employee on its payroll, who:

- if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month;
- if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

The total remuneration drawn by the Managing Directors and Key Managerial Personnel forms part of Extracts from the Annual Return in Form MGT-9. Mr. H. M. Gupta, Executive Chairman in his capacity as the Chairman and Managing Director of BMG Enterprises Ltd., the Holding Company drew a remuneration of ₹ 6.00 lakhs as consolidated salary pursuant to Section 197 (14) of the Companies Act, 2013.



Report of the Board of Directors

AWARDS AND RECOGNITION

Your Directors are pleased to advise that during the year under review, the Company has bagged several awards, for performance of its various Divisions, as mentioned hereunder:

- The National Magazine 'Business Today' has awarded the Company in respect of its Rossell Tea Division as **"India's Best SME – Agriculture (Total income ₹ 101 Crores – ₹ 250 Crores) category"** in a ceremony held in Delhi on 23rd September, 2015.
- Rossell Techsys Division of the Company has been awarded as **"Fastest Growing SME of the Year 2015 in Customer Satisfaction in Defense and Aerospace Sector"** - by Karnataka Small and Medium Business Owners Association (KSMBOA) under the Business Excellence and Achievement awards 2015.
- Rossell Techsys Division of the Company has been honored with the **"Supplier Appreciation Award"** conferred by Boeing for Maintaining Gold Rating for Quality & Delivery for the years 2014 & 2015.
- The Institute of Cost Accountants of India (ICAI-CMA) in association with ASSOCHAM, has honored the Rossell Techsys Division of the Company with the **"Best SME of the year award for 2015"** award, under the event SMEs excellence award 2015.
- Rossell Techsys Division of the Company has achieved its biggest award yet – **"The Boeing SUPPLIER OF THE YEAR in the PATHFINDER category"** in a glittering ceremony held in Seattle, USA during April, 2016.
- The Rossell Hospitality Division of the Company, operating brand Kebab Xpress, has been honored with **"IMAGES Most Admired Food Service Retailer of the year Award : Supply Chain Management"** at the 9th Annual Mega Congregation of the India Food Forum at the Coca Cola Golden Spoon Awards (CCGSA , 2016).



Rossell Techsys has been recognized as "Supplier of the Year - 2015" in the Pathfinder Category by The Boeing Company. Rossell Techsys was one of 12 companies honoured on the evening of April 13, 2016, at the Washington State Convention Centre, Seattle, for outstanding performance in working with Boeing. Achieving the "Supplier of the Year" distinction is an acknowledgement of its superior performance and puts Rossell Techsys in the best of the best class of winners, amongst the 13,000 active suppliers of Boeing. This selection was based on stringent performance criteria for quality performance, delivery performance, cost, environmental initiatives, Training and Learning initiatives, customer service and technical expertise.

Rossell Techsys is also one of only 107 GOLD rated companies, amongst the 13,000 active suppliers, to receive the Boeing Performance Excellence Award (BPEA) which rewards consistent performance excellence. Rossell Techsys has consistently achieved a GOLD rating in Quality and Delivery, over 2 years.

"What they have done has built a company culture that has resulted in 100% on time and quality and has met our expectations, especially for a company that has been around 2 years. It is kind of unheard of to have a company go from start up to "Supplier of the Year" this quickly", said Mr Phil Ament, Boeing Director – International Supplier Management, Boeing Defence, Space and Security.



Report of the Board of Directors

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There is no significant or material order passed by any Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROLS

Your Company has adequate Internal Financial Control System 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 Auditor's review which is deliberated upon and corrective action taken, where ever required.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In compliance with the provisions of Sub-Section 5 of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 a sum of ₹ 67,815, being the dividend lying unclaimed out of the dividend declared by the Company for the Financial Year 2007-2008, has been transferred to the Investor Education and Protection Fund of the Central Government during September, 2015.

DEPOSITS

Your Company has not accepted any deposits from public in terms of provisions contained in Chapter V of the Companies Act, 2013, or in terms of corresponding provisions of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on the Management Discussion and Analysis concerning all the business segments of the Company is given as Annexure-8 to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	<p>In various Tea Factories of Rossell Tea Division, machinery up-gradation and replacement of low performing equipment is an ongoing process with a view to conserve Fuel, Electrical Energy and other resources. Initiatives undertaken during the financial year 2015-2016 are as follows;</p> <ol style="list-style-type: none"> Replacement of old and obsolete Gas Generators of 250 KVA and 125 KVA respectively has been done. The new sets have the ability of better capacity utilization. Replacement of Axial Flow Fans attached to Energy Efficient Motors for higher volumes of air availability with reduced energy consumption done at one of the factories. Up-gradation of plant motorization with high efficiency IE3 energy efficient motors. Installation of Demand Monitoring Control units to control the factory electrical demand on the State Board Power Supply. Installation of Voltage Monitoring Relays on motors to eliminate motor damages due to single phasing and surges in the State Board Power Supply. Installation of wind propelled ventilators on factory roof which helps in maintaining the quality of produce and also provide better working environment inside the factory. Installation of individual gas burners based on the gas pressure available to the withering trough fans, replacing the bulk supply of hot air. This conversion eliminates the wastage of Natural Gas as the requirement is need based along with saving in energy of running 17.5 HP motor with blower. The new system also prevents loss of Natural Gas by activation of a solenoid shut-off valve during power outages. Installation of static power capacitors to improve the power factor of the plant and reduce losses incurred in the State Board Power Supply. <p>Rossell Hospitality Division has taken the following initiatives:</p> <ol style="list-style-type: none"> Great deal of focus on "OEE" (Overall Equipment Efficiency to optimize productivity). Driving sustainable development programme for water and power. Replaced Conventional lighting with LED lights which are not only brighter but also save energy and are Eco friendly. Waste water from the RO is saved and stored for flushing and cleaning.
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Report of the Board of Directors

(ii)	the steps taken by the company for utilizing alternate sources of energy	Rossell Tea Division is arranging for alternate source of energy provision for drying of teas by furnace oil. This is being done in view of any unfortunate circumstance that could arise in sudden breakdown of the supply of Natural gas. Study of the possibility of using Solar power at two Estates of Rossell Tea Division continues. Rossell Techsys Division is constrained to adopt alternate sources of energy as it is currently operating from leased premises in Bangalore. The owners of the premises are not motivated enough to invest in these alternate sources of energy.
(iii)	the capital investment on energy conservation equipments	All the equipment and machinery are acquired with energy conservation in view. Hence the extent of investment cannot be separately quantified. However, the capital investment during the year ended 31st March 2016 on acquisition of energy conservation equipment in particular was ₹83.73 Lakhs in Rossell Tea.

(b) Technology absorption

(i)	the efforts made towards technology absorption	In-house seminars, discussions with experts and training programme were held for innovative ideas of production and to update the staff. The concerned staff members are also sponsored to attend various seminars and workshops for updating themselves in various aspect of the functioning of the Company.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	There has been an overall improvement in quality of product and labour productivity, which results in economy in cost. The Rossell Hospitality Division tried different versions of imported equipment to rationalise capex costs for certain products and are currently trying a version for soft serve machine, investment on which is much lower compared to the ones procured earlier.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import; (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
(iv)	the expenditure incurred on Research and Development	The Company is a Member of Tea Research Association, Kolkata, which is registered under Sec. 35 (1) (ii) of the Income tax Act, 1961. A contribution of ₹ 10.98 lakhs was made during the year towards subscription by Rossell Tea Division. All the Research and Development work done in Rossell Techsys Division is customer specific and for their exclusive purpose. Thus the cost thereof is absorbed by the respective project cost and not required to be accumulated separately.

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was ₹ 144.45 lakhs on account of various expenses and ₹ 1,158.68 lakhs for imports of raw materials, stores as well as capital goods. The total foreign exchange earned was ₹ 6,977.13 lakhs (Note No. 10 to the financial statements)

MATERIAL CHANGES AND COMMITMENTS

You Directors confirm that there are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of this report

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the business associates, shareholders and other stakeholders of the Company for their continued support.

For and on behalf of the Board

Rossell India Limited

H.M.Gupta

Executive Chairman

Place : Delhi

Date : 30th May, 2016

Annexure 1 to the Report of the Board Directors

REPORT ON CORPORATE GOVERNANCE - 2015-2016

In accordance with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'SEBI Listing Regulations'] read with Schedule V thereof, the details of compliance by the Company with the norms on Corporate Governance are as under:

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 believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

Your Company places great emphasis on values such as empowerment and integrity of its employees, well-being of the employees and communities surrounding our Tea Estates, transparency in decision making process, fair and ethical dealings with all its business associates, pollution free clean environment and last but not the least, accountability to all the stakeholders.

Your Company is further committed to the well-being of communities in general in the society through meaningful "Corporate Social Responsibility" initiatives.

2. BOARD OF DIRECTORS

2.1 Composition and Category of Directors:

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 Directors (including one woman Director). Particulars as on 31st March, 2016 are given below:-

Director	Category of Directors
Mr. H. M. Gupta	Executive Chairman
Dr. S. S. Baijal	Non-Executive-Independent
Mr. H. M. Parekh	Non-Executive-Independent
Mr. V. P. Agarwal	Non-Executive-Independent
Ms. Nayantara Palchoudhuri	Non-Executive Non-Independent
Mr. C. S. Bedi	Managing Director

Thus, the composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations. None of the Directors are related to each other.

2.2 Attendance of each Director at the Board Meetings held during the year and the last AGM.

During the year under review, 5 Board Meetings were held on 29.05.2015, 30.07.2015, 02.11.2015, 10.02.2016 and 16.03.2016.

The last AGM was held on 31.07.2015.

Details of attendance:

Director	No. of Board Meetings Attended	Whether attended Last AGM
Mr. H. M. Gupta	5	Yes
Dr. S. S. Baijal	5	Yes
Mr. H. M. Parekh	5	Yes
Mr. V. P. Agarwal	5	Yes
Ms. Nayantara Palchoudhuri	5	Yes
Mr. C. S. Bedi	5	Yes



Annexure 1 to the Report of the Board Directors

2.3 Separate Meeting of Independent Directors:

As stipulated by Regulation 25 (3) of the SEBI Listing Regulations and Section 149(8) read with Clause VII of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 10th February, 2016, without the attendance of Non-Independent Directors. All the Independent Directors were present in that Meeting. The following Matters inter-alia were considered in the Meeting:

- 2.3.1 Reviewed the performance of Non-Independent Directors and the Board as a whole;
- 2.3.2 Reviewed the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors;
- 2.3.3 Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

2.4 Number of other Boards or Board Committees in which he/she is a member or Chairperson :

As stipulated in Regulation 25(1) of the SEBI Listing Regulations, none of the Directors acts as an Independent Director in more than 7 Listed Companies and none of the Independent Directors is a whole time Directors in any Listed Company. Further, in terms of Regulation 26 of the SEBI Listing Regulations, none of the Director acts as a member of more than 10 committees or acts as a chairman of more than 5 committees across all Public Limited Companies in which he is a Director.

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31st March, 2016, are given below:-

Director	No. of Companies		
	Member of Board	Board Committees #	
		Chairman	Member
Mr. H. M. Gupta	2	—	—
Dr. S. S. Baijal	6	4	5
Mr. H. M. Parekh	8	5	10
Mr. V. P. Agarwal	2	—	2
Mr. C. S. Bedi	1	—	1
Ms. Nayantara Palchoudhuri	8	—	4

includes only Audit Committee and Stakeholders' Relationship Committee of public limited companies (whether Listed or not).

2.5 Familiarisation Programmes for Independent Directors :

On appointment, the Independent Director is given a Letter of Appointment setting out, in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director as well as various Business Heads on the Company's production, marketing, finance and other important aspects. The Company Secretary briefs the Director about his legal and regulatory responsibilities as a Director. The induction for Independent Directors includes interactive sessions with Executive Directors, Business and Functional Heads, Visit to the Tea Estates/ plant/ site etc. Further details on familiarisation programme is available on the website of the Company at <http://www.rossellindia.com>.

2.6 Code of Conduct :

The Board of Directors has laid down a Code of Conduct on 25th April, 2005 for Business and Ethics for all the Board Members and all the employees in the Senior Management grade of the Company. The said code is available on the Company's website at <http://www.rossellindia.com>.

All the Board Members and Senior Management personnel have confirmed compliance with the code. A declaration to that effect, signed by the Chief Executive Officer, in terms of Regulation 26(3) read with Part-D of Schedule V of the SEBI Listing Regulations, is attached and forms part of this Annual Report.

During the year, pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors has approved and laid down the followings:

- i) "Rossell Insider Code" to regulate, monitor and report Insider Trading by the Company's Directors, Employees and other Connected Persons. The said Code has replaced the Company's earlier code on Insider Trading framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Annexure 1 to the Report of the Board Directors

- ii) "Rossell Code of Fair Disclosure" to ensure Fair and timely Disclosure of Unpublished Price Sensitive Information to the Stock Exchanges.

In terms of Regulation 8 of the said Regulation, "Rossell Code of Fair Disclosure" is available on the Company's website at <http://www.rossellindia.com>.

The Board has appointed Mr. N. K. Khurana, Chief Financial Officer-cum- Company Secretary, as the Compliance Officer as well as Chief Investor Relation Officer under this Regulation.

3. AUDIT COMMITTEE :

3.1 Brief description and Composition

The Board has constituted a well-qualified Audit Committee. All the four members of the Committee are Non-Executive Directors and three of them are independent Directors including the Chairman. The Chairman of the Committee has in-depth knowledge in the areas of Finance and Accounts. The Committee has been meeting as and when required and at least once in every quarter of the Financial Year.

The Audit Committee of the Company is comprised of the following Directors:

Sl. No.	Name	Category of Director	Chairman/ Members
1.	Dr. S. S. Baijal	Non-Executive-Independent	Chairman
2.	Mr. H. M. Parekh	Non-Executive-Independent	Member
3.	Mr. V. P. Agarwal	Non-Executive-Independent	Member
4.	Ms. Nayantara Palchoudhuri	Non-Executive Non-Independent	Member

3.2 Terms of reference

The terms of reference of the Audit Committee broadly cover the areas specified in Regulation 18(3) read with Schedule II, Part - C of the SEBI Listing Regulations and Sec. 177 of the Companies Act, 2013 and briefly described below:

- 3.2.1 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;
- 3.2.2 To recommend the appointment, remuneration and terms of appointment of the Statutory Auditors, Cost Auditors and Internal Auditors of the Company;
- 3.2.3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 3.2.4 Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinion(s) in the draft audit report, if any.
- 3.2.5 To review with management, the quarterly financial statements before submission to the board for approval;
- 3.2.6 Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in the matter;
- 3.2.7 To review and monitor the Auditor's independence and performance and effectiveness of the Audit Process;
- 3.2.8 Approval or any subsequent modification of transactions of the Company with related parties;



Annexure 1 to the Report of the Board Directors

- 3.2.9 Scrutiny of Inter-corporate loans and Investments;
- 3.2.10 Valuation of undertakings or assets of the Company, wherever it is necessary;
- 3.2.11 Evaluation of internal financial controls and risk management systems;
- 3.2.12 Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 3.2.13 Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 3.2.14 Discussion with internal auditors of any significant findings and follow up there on;
- 3.2.15 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 3.2.16 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 3.2.17 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 3.2.18 To review the functioning of the Whistle Blower/ Vigil mechanism;
- 3.2.19 Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 3.2.20 Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 3.2.21 The Audit committee also reviews the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses;
 - e) The appointment, removal and terms of remuneration of the Internal Auditors for various divisions of the Company. and
 - f) Statement of deviations of issue proceeds, in case of any further issue of shares.

3.3 Meetings and attendance during the year

During the year under review, 4 Meetings of the Audit Committee were held on 28th May, 2015, 30th July, 2015, 2nd November, 2015 and 9th February, 2016.

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	4
Mr. H. M. Parekh	4
Mr. V. P. Agarwal	4
Ms. Nayantara Palchoudhuri	4

The Chief Financial Officer-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. NOMINATION AND REMUNERATION COMMITTEE:

4.1 Brief description and Composition :

The Board has duly constituted Nomination and Remuneration Committee of the Board and the said committee comprises of three Non-Executive Independent Directors as follows:

Sl. No.	Name	Category of Director	Chairman/ Members
1.	Mr. H. M. Parekh	Non-Executive-Independent	Chairman
2.	Dr. S. S. Bajjal	Non-Executive-Independent	Member
3.	Mr. V. P. Agarwal	Non-Executive-Independent	Member

Annexure 1 to the Report of the Board Directors

4.2 Terms of reference

In accordance with Clause A, Schedule II, Part-D of the SEBI Listing Regulations read with Section 178(2) of the Companies Act, 2013, the Committee is empowered –

- 4.2.1 To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy, relating to the remuneration of Directors, Key Managerial Personnel and other employees;
- 4.2.2 To formulate criteria for evaluation/ performance appraisal of Independent Directors and the Board;
- 4.2.3 To devise policy on Board diversity;
- 4.2.4 To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- 4.2.5 To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent Directors.

4.3 Remuneration policy :

The Company follows a policy on remuneration of Directors and Senior Management Employees as formulated by the Nomination and Remuneration Committee detailed hereunder:

- 4.3.1 The remuneration of an individual shall be dependent upon the following parameters concerning an individual:
 - a) Age,
 - b) Qualifications,
 - c) Experience,
 - d) Core Competence,
 - e) Career advancement,
 - f) Special Skill, if any
 - g) Performance in the context of the duties and responsibilities assigned,
 - h) Industry Criteria,
 - i) Other relevant factors.
- 4.3.2 The level and composition of remuneration for each individual shall be reasonable and sufficient to attract, retain and motivate the person concerned, whether as Director or Key Managerial Personnel of the quality required to run the Company successfully;
- 4.3.3 Relationship of remuneration to performance should be clear and meets appropriate performance benchmarks as may be set up from time to time; and
- 4.3.4 Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of each of the Divisions of the Company and its goals:

4.4 Meeting and attendance during the year :

During the year under review, a Meeting of the Nomination and Remuneration Committee was held on 28th May, 2015.

Name	No. of Nomination and Remuneration Committee Meetings Attended
Mr. H. M. Parekh	1
Dr. S. S. Baijal	1
Mr. V. P. Agarwal	1

4.5 Details of remuneration to all the directors:

Remuneration as per Terms of Service paid to Managing Directors during the year 2015-2016:

₹ In lakhs

Name of Directors	Salary and Allowances	Commission	Value of Perquisites	Total
Mr. H. M. Gupta, Executive Chairman	86.40	—	16.45	102.85
Mr. C. S. Bedi, Managing Director	44.55	—	13.31	57.86



Annexure 1 to the Report of the Board Directors

1) Mr. H. M. Gupta

Service contract: 01.05.2015 to 31.03.2018

Notice period : Three months

Severance Fee : Not Applicable

Re-appointment of Mr. H. M. Gupta was made by the Members in the 21st Annual General Meeting for a period of 2 years 11 months w.e.f. 1st May, 2015 till 31st March, 2018, by adopting Special Resolutions.

2) Mr. C. S. Bedi

Service contract: 01.10.2013 to 30.09.2016

Notice period : Three months

Severance Fee : Not Applicable

The Board of Directors at its Meeting held on 30.05.2016, has passed necessary Resolutions proposing re-appointment of Mr. C. S. Bedi for a further period of 3 years w.e.f. 1st October, 2016 till 30th September, 2019 subject to approval of the Members in the ensuing Annual General Meeting.

Sitting Fees and Commission paid/payable to the Non-Executive Directors during the year 2015-2016 and their shareholding in the Company are as under: ₹ In lakhs

Non-Executive Directors	Board Fees	Committee Fees	Total	Commission	No. of Shares held
Dr. S. S. Bajjal	1.15	0.73	1.88	2.50	7,500
Mr. H. M. Parekh	1.15	1.15	2.30	2.50	—
Mr. V. P. Agarwal	1.15	1.15	2.30	2.50	—
Ms. Nayantara Palchoudhuri	1.15	0.53	1.68	2.50	—

Note: The above Fees and Commission excludes Service Tax.

There are no stock option plans of the Company.

4.6 Performance Evaluation Criteria:

During the year, the performance evaluation was done at two levels - by the Board as well as by the Independent Directors at their separate Meeting. First, the Independent Directors at their separate Meetings held on 10th February, 2016 reviewed the performance of the Board, Executive Chairman of the Board and the Non-Independent Directors. They also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

Subsequently, the Board, at their Meeting held thereafter on the same day, carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Director including the Executive Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, etc.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

In terms of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the Company has a duly constituted Stakeholders Relationship Committee to specifically look into the mechanism of redressal of investors' grievances and recommend measures for overall improvement in the quality of investor services.

The Committee consists of two Non-Executive Independent Directors and the Managing Director, as under:

Sl. No.	Name	Category of Director	Chairman/ Members
1.	Mr. H. M. Parekh	Non-Executive-Independent	Chairman
2.	Mr. V. P. Agarwal	Non-Executive-Independent	Member
3.	MR. C. S. Bedi	Managing Director	Member

5.1 Terms of Reference

In accordance with Clause B, Schedule II, Part-D of the SEBI Listing Regulations, the Committee is empowered to consider and resolve the grievances of the shareholders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Annexure 1 to the Report of the Board Directors

5.2 Compliance Officer

Mr. N.K. Khurana, Chief Financial Officer-cum-Company Secretary is designated as the Compliance Officer of the Company.

5.3 Meeting and Attendance

During the year under review, this Committee had seven meetings held on 16.04.2015, 28.05.2015, 29.06.2015, 21.07.2015, 19.08.2015, 03.09.2015 and 09.02.2016.

Name	No. of Stakeholders Relationship Committee Meetings Attended
Mr. H. M. Parekh	7
Mr. V. P. Agarwal	6
MR. C. S. Bedi	7

5.4 Shareholders' Complaints

The detailed particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

a)	No. of complaints remaining unresolved as on 01.04.2015	Nil
b)	No. of complaints received from shareholders during the year	Nil
c)	No. of complaints Resolved during the year	Nil
d)	No. of Complaints pending unresolved as on 31.03.2016	Nil

Shareholders' grievances are resolved expeditiously. There is no grievance pending as on date.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee of the Board has been constituted as follows:

Sl. No.	Name	Category of Director	Chairman/ Members
1.	Dr. S S Bajjal	Non-Executive-Independent	Chairman
2.	Mr. V. P Agarwal	Non-Executive-Independent	Member
3.	MR. C. S. Bedi	Managing Director	Member

The role of the CSR committee inter-alia includes:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the activities referred to in Clause (a) and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Committee has framed and the Board has approved at its meeting held on 6th August, 2014, the Company's Corporate Social Responsibility policy relating to the CSR activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013. The said CSR policy is available at the company's website at www.rossellindia.com. The CSR Report for the Financial Year 2015-2016 is enclosed separately as Annexure- 2 to the Boards' Report, forming part of this Annual Report.

6.1 Meeting and Attendance

During the year under review, the CSR Committee met two times i.e. on 02.11.2015 and 09.02.2016.

Name	No. of CSR Committee Meetings Attended
Dr. S S Bajjal	2
Mr. V. P. Agarwal	2
MR. C. S. Bedi	2



Annexure 1 to the Report of the Board Directors

7. Risk Management Committee

The Risk Management Committee of the Board has been constituted in the manner prescribed in Regulation 21 of the SEBI Listing Regulations. The Committee is responsible to lay down the procedures to inform the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

The Risk Management Committee of the Board is composed as under:

Sl. No.	Name	Category of Director	Chairman/ Members
1.	Mr. H. M. Parekh	Non-Executive-Independent	Chairman
2.	Ms. Nayantara Palchoudhuri	Non-Executive-Non-Independent	Member
3.	MR. C. S. Bedi	Managing Director	Member

During the year under review, the Risk Management Committee held its meeting on 08.02.2016.

The Committee at its Meeting held on 29.03.2015 has framed Company's policy on Risk Assessment and Minimization which has subsequently been approved by the Board at its meeting held on 30.03.2015. The major risks and concerns being faced by various business segments of the Company are discussed in the Report on Management Discussion and Analysis, forming part of this Annual Report.

8. General Body Meetings:

Location and time where last three AGMs were held:

Date	Location	Time
02.08.2013	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700 020	2.00 p.m.
06.08.2014	Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017	3.00 p.m.
31.07.2015	Williamson Magor Hall, The Bengal Chamber of Commerce and Industry, 6, Netaji Subhas, Road, Kolkata 700001	11.00 a.m.

No resolution was passed by the Members through Postal Ballots during the year under review. In the Annual General Meeting held on 31st July, 2015, all the resolutions were adopted by electronic voting.

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

- In the 19th Annual General Meeting held on 2nd August, 2013:- i) Approval of the Members obtained under Sections 198, 269, 309 and 310 of the Companies Act, 1956 for re-appointment of Mr. C. S. Bedi, as Managing Director for a period of three years from 1st October, 2013 to 30th September, 2016 and ii) consent of the Members obtained under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 for payment of Commission made or to be made from time to time to Non-Executive Directors not in the whole time employment of the Company within the limit of 1% (one percent) of the net profits of the Company for a period of five financial years from the financial year 2012-2013.
- In the 20th Annual General Meeting held on 6th August 2014 :- i) Approval of the Members obtained under Section 14 and all other provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, with regard to the draft regulation for management of the Company contained in the Article of Association. ii) Approval of the Members obtained under section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 authorising the Board to Mortgage and/or charge and/or otherwise dispose of immovable and movable properties, both present and future or whole or substantially the whole of the undertaking or the undertakings of the Company for the purpose securing any loan and/or any issue of debentures. And iii) Approval of the Members obtained under section 180(1) (c) and all other applicable provisions of the Companies Act, 2013 authorising the Board to borrow from time to time any sum or sums of money in excess of aggregate of Company's Paid up Share Capital and Free Reserves not exceeding ₹250 Crores.
- In the 21st Annual General Meeting held on 31st July, 2015, approval of the Members obtained for re-appointment of Mr. H. M. Gupta, Managing Director (DIN: 00065973) designated as Executive Chairman for a further period of 2 (two) years and 11(eleven) months i.e. for the period from 1st May, 2015 to 31st March, 2018 in terms of the provisions of Section 188, 196, 197 and other applicable provisions of the Companies Act, 2013 read with Section I and Section II of Part II of Schedule V to the said Act.

No postal ballot by way of Special Resolution is proposed to be passed in the ensuing 22nd Annual General Meeting.

Annexure 1 to the Report of the Board Directors

9. MEANS OF COMMUNICATION:

- 9.1 Quarterly results and the half-yearly results are published in leading newspapers such as Business Standard (English) (all editions) and Aajkal (Bengali) (Kolkata) and posted in the Website of the Company, www.rossellindia.com.
- 9.2 The Company has its own functional website www.rossellindia.com as required by the SEBI Listing Regulations, where information about the Company, quarterly and annual audited financial results, annual reports, distribution of shareholding at the end of the each quarter, information required to be disclosed under Regulations 30 and 46 of the SEBI Listing Regulations, etc are regularly updated.
- 9.3 All material events/information relating to the Company that could influence the market price of its securities or investment decisions are timely disclosed to the Stock Exchanges as per the Company's Policy on Determination of Materiality of Events or Information for Disclosure to the Stock Exchanges, framed under SEBI Listing Regulations. All disclosures under this policy are also displayed on the Company's website www.rossellindia.com.
- 9.4 Management discussion and Analysis Report are covered by the Directors' Report.
- 9.5 No presentation was made to any Institutional Investor or Analyst during the year.
- 9.6 Company's E-mail address: rossell@rossellindia.com, corporate@rosselltea.com

10. GENERAL SHAREHOLDERS' INFORMATION :

10.1 22nd AGM date, time and venue

3rd August, 2016 at 10.30 A.M

Kala Kunj, 48, Shakespeare Sarani, Kolkata-700 017

10.2 Financial calendar & Publication of Results

The Financial Year of the Company is April to March.

Publication of Results was as follows:

Period	Approval by the Board of Directors
1st quarter ended 30th June, 2015	On 30.07.2015
2nd quarter ended 30th September, 2015	On 02.11.2015
1st Half: April – September	On 02.11.2015
3rd quarter ended 31st December, 2015	On 10.02.2016
Final Audited Results for the Year including for the 4th quarter ended 31st March, 2016	On 30.05.2016

- 10.3 Book Closure/ Record date: There would not be any closure of the Register of Members of the Company.

However, the Company had fixed 24th March, 2016 as the Record Date for the purpose of Payment of Interim Dividend for the financial year 2015-2016.

- 10.4 Dividend Payment date: The interim dividend declared during the year on 16th March, 2016 was paid on 28th March, 2016.

10.5 Listing on Stock Exchanges:

The Company's securities are listed at:

- National Stock Exchange of India Ltd.**
Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
- BSE Ltd.,**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
- The Calcutta Stock Exchange Ltd.,**
7, Lyons Range, Kolkata-700 001

Listing Fees as prescribed have been paid to all the aforesaid Stock Exchanges upto the Financial Year 2016-2017.



Annexure 1 to the Report of the Board Directors

Scrip Code:

Stock Exchange	Scrip Code
National Stock Exchange of India Ltd.	ROSSELLIND
BSE Ltd.,	533168
The Calcutta Stock Exchange Ltd.	10028199

10.6 Stock Price Data:

There was no transaction of the Equity Shares of the Company at The Calcutta Stock Exchange Limited during the year ended 31st March, 2016. The Monthly High and Low Prices for trading of the Equity Share at BSE and NSE are as under:

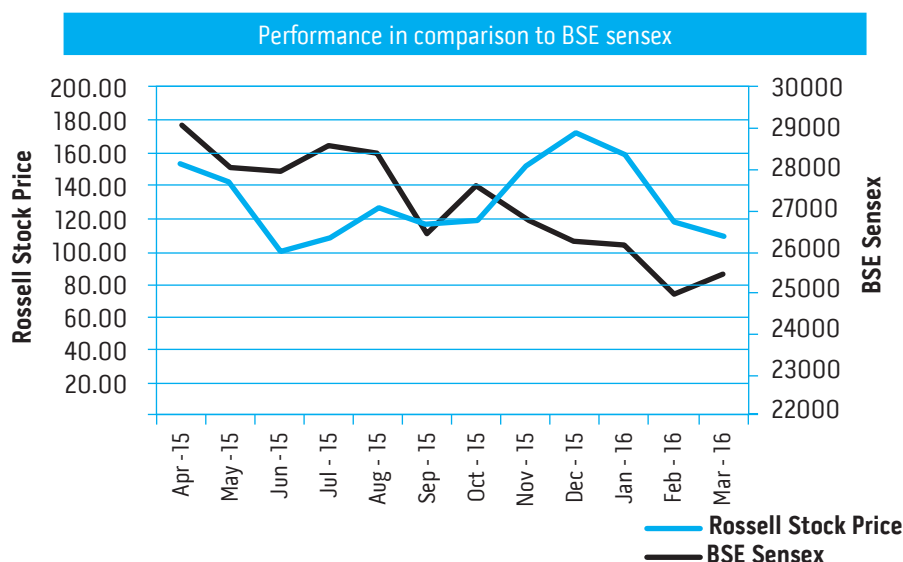
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	154.60	80.30	155.00	79.50
May 2015	141.90	102.20	142.75	102.00
June 2015	99.90	77.30	102.00	77.85
July 2015	109.00	85.00	105.00	85.25
August 2015	127.00	85.00	127.60	85.00
September 2015	116.80	90.10	117.45	91.90
October 2015	119.00	94.00	125.00	94.00
November 2015	152.50	102.00	152.95	101.10
December 2015	173.00	145.00	173.65	145.10
January 2016	159.70	106.10	162.90	103.80
February 2016	119.10	81.00	119.00	80.10
March 2016	113.00	82.30	112.75	82.55

On 02.12.2015 the stock price of your Company touched its all-time high at ₹ 173.00 in BSE and ₹ 173.65 in NSE. The last traded price at the Bombay Stock Exchange on 30th May, 2016 was ₹ 106.60 and the same at NSE was ₹ 107.35.

10.7 Stock Performance:

Company's Share Price vis-à-vis **BSE Sensex**:

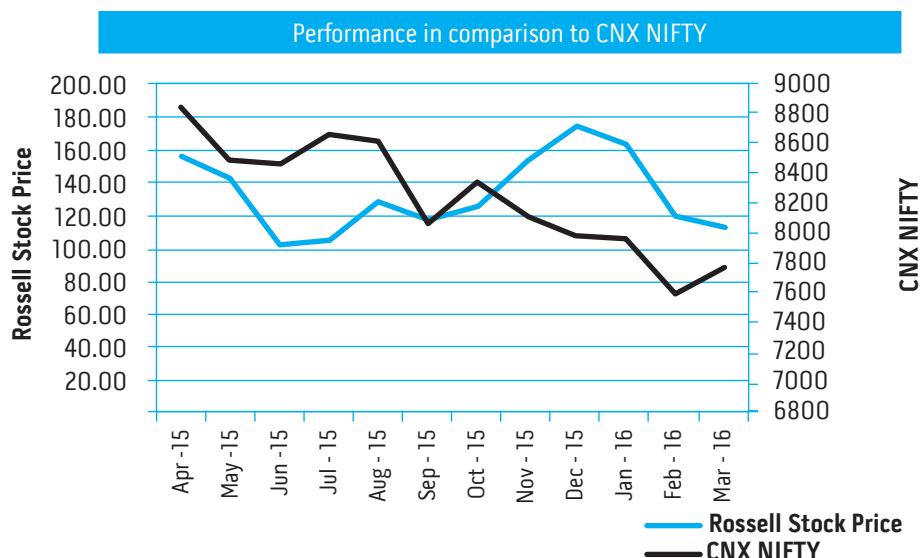
(April, 2015 to March, 2016)



Annexure 1 to the Report of the Board Directors

Company's Share Price vis-à-vis **NSE CNX NIFTY**:

(April, 2015 to March, 2016)



10.8 Share Transfer System:

The Company's shares are compulsorily traded in the demat form with effect from 29th January, 2001 for all categories of shareholders. All transfers are routed through the respective Accounts maintained with the Depository Participants (DPs) of the Investor.

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

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

10.9 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.

10.10 Dematerialization of Shares:

As on 31st March, 2016, 3,59,46,232 Nos. of Equity Shares, representing 97.96 % of the Equity Capital have been held in dematerialised form with NSDL and CDSL.

10.11 (i) Distribution of shareholding as on 31st March, 2016

Range		No. of Shareholders	% of holders	No. Shares held	% of holding
From	To				
1	500	6,506	88.05	8,88,508	2.42
501	1000	487	6.59	3,64,211	0.99
1001	2000	180	2.44	2,72,704	0.74
2001	3000	72	0.97	1,84,452	0.50
3001	4000	31	0.42	1,15,731	0.32
4001	5000	18	0.24	86,117	0.23
5001	10000	36	0.49	2,78,705	0.76
10001	50000	33	0.45	5,94,646	1.62
50001	100000	10	0.14	7,47,862	2.04
100001	ABOVE	16	0.22	3,31,63,539	90.38
	TOTAL	7,389	100.00	3,66,96,475	100.00



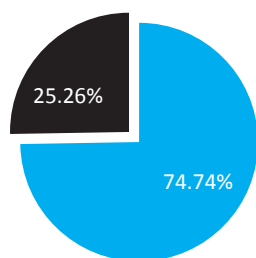
Annexure 1 to the Report of the Board Directors

(ii) Shareholding pattern as at 31st March, 2016

Category shareholders	No. of shareholder	No. of shareholding	% Shareholding
Promoters			
Indian Promoter (Individual)	3	32,91,054	8.97
Indian Promoter (Body Corporate)	3	2,41,34,609	65.77
Sub Total –A	6	2,74,25,663	74.74
Public – Institutional Holding			
State Government	1	150	0.00
Nationalised/Other Banks	3	90,300	0.25
Mutual Funds	2	1,50,010	0.41
Foreign Institutional Investors	1	34,67,391	9.45
Sub Total - B	7	37,07,851	10.10
Public- Non Institutional Holding			
Bodies Corporate	155	13,78,577	3.76
Trust	1	75	0.00
Resident Individual (not exceeding ₹ 2 Lakhs)	7,123	25,87,888	7.05
Resident Individual (exceeding ₹ 2 Lakhs)	3	13,41,116	3.65
Non-Resident Indians	45	38,724	0.11
Clearing Members/ Corporates	48	99,471	0.27
Unclaimed Suspense Account	1	1,17,110	0.32
Sub Total -C	7,376	55,62,961	15.16
Grand Total (A+B+C)	7,389	3,66,96,475	100.00

Shareholding Pattern

- % of Shares held by Promoter Group
- % of Shares held by public



Total Number of Equity Shares	3,66,96,475	100.00%
Number of Shares held by Promoter Group*	2,74,25,663	74.74%
Number of Shares held by Public	92,70,812	25.26%

*Not pledged or encumbered in any manner

10.12 Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

Shareholders are requested to refer to the Notice of the Annual General Meeting for the due dates for transfer of unclaimed dividends for the year ended 31st March, 2009 to Investor Education and Protection Fund. This information is also posted in the Investor Relation section of the Company's website. Shareholders, who have not yet encashed their dividend warrants, are requested to immediately contact the Company or its Registrar & Transfer Agents - CB Management Services Pvt. Ltd., P-22, Bondel Road, Kolkata-700 019 for claiming their unpaid/unclaimed dividends, if any.

10.13 Plant Locations:

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

ASSAM

Dist. Dibrugarh

Dikom, Romai, Namsang

Annexure 1 to the Report of the Board Directors

Dist. Tinsukia

Nokhroy

Dist. Baksa

Nagriajuli

Dist. Golaghat

Bokakhat

Dist. Jorhat

Kharikatia

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

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

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

Rossell Hospitality Division of the Company has Ten Indian Fast Food Outlets - “Kebab Xpress” at the following places as on 31st March, 2016:

- | | |
|--|---|
| 1. N Block Inner Circle, Connaught Place
N-5, Connaught Place, Opposite Palika Bazaar, Gate-5, New Delhi, Delhi - 110001 | 2. V3s Mall, Laxmi Nagar
G2 & G8, V3S Mall, Laxmi Nagar, New Delhi, Delhi – 110091 |
| 3. Moments Mall, Kirti Nagar
2nd Floor, Food Court Moments Mall, Kirti Nagar, New Delhi, Delhi - 110015 | 4. Pacific Mall, Subhash Nagar
K9 & K10, Ground Floor Pacific Mall, Subhash Nagar, New Delhi, Delhi - 110018 |
| 5. The Qutub Tiffin, Mehrauli
Ground Floor, The Qutub Tiffin, Mehrauli, New Delhi, Delhi – 110030 | 6. Dlf Cyber Hub, Gurgaon
112, First Floor, DLF Cyber Hub, Gurgaon Haryana - 122002 |
| 7. Huda City Centre Metro Station, Gurgaon
6, Ground Floor, HUDA City Centre Metro Station, Gurgaon, Haryana – 122002 | 8. Crown Interiorz Mall, Faridabad
Shop No. 23 & 24, Second Floor, Crown Interiorz Mall, Sector 35, Faridabad, Haryana – 121003 |
| 9. The Great India Place, Noida
301 A, Third Floor, TGIP Mall, Sector 38, Noida, Uttar Pradesh - 201301 | 10. Shipra Mall, Indirapuram
Second Floor, Food Court Shipra Mall, Vaibhav Khand Indirapuram Ghaziabad, Uttar Pradesh - 201014 |

10.14 Address for correspondence:

Registrars & Share Transfer Agents including Depository Registrar

CB Management Services Private Limited,
P-22, Bondel Road, Kolkata-700 019
Tel: (033) 40116700 / 40116711 / 40116718 / 40116720
Fax: (033) 2287-0263
E-Mail: rta@cbmsl.com

Compliance Officer

Mr. N. K. Khurana
Chief Financial Officer-cum-Company Secretary,
Rossell India Limited,
Jindal Towers, Block 'B', 4th Floor,
21/1A/3, Darga Road, Kolkata- 700 017
Tel: (033) 2287-4794/2290-3035
Fax: (033) 2287-5269
E-mail: nirmal.khurana@rossellindia.com / nk.khurana@rosselltea.com



Annexure 1 to the Report of the Board Directors

11. Other Disclosures:

11.1 Related party transactions:

Disclosures on materially significant related party transactions:

The Company has not entered into any transactions of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company. The transactions undertaken during the year have been disclosed as Clause 5 in Note T to the Financial Statements for the year ended 31st March, 2016.

11.2 Non Compliance/penalties:

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.

11.3 Whistle Blower Policy - Vigil Mechanism:

Pursuant to Sec 177(9) read with (Meeting of Board and its Power) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, Company has duly established vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conducts or ethics policy. Audit Committee of the Board monitors and oversees such Vigil Mechanism of the Company. It is also confirmed that no personnel has been denied access to the Audit Committee during the year under review.

Further in terms of Regulation 46(2)(e) of the SEBI Listing Regulations, detailed policy related to the Whistle Blower - Vigil Mechanism is available in the Company's website at www.rossellindia.com.

11.4 Mandatory requirements

The Company has complied with all mandatory Corporate Governance requirements as stipulated in the SEBI Listing Regulations.

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

11.5 CEO/CFO Certification

In terms of Regulation 17 (8) read with Schedule-II, Part-B of the SEBI Listing Regulations, the Executive Chairman (CEO) and the Chief Financial Officer (CFO) of the Company have certified to the Board that the financial statements for the year ended 31st March, 2016 do not contain any false or misleading statement and that 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.

11.6 Adoption of Non-Mandatory requirements:

The Company strives to comply with the non mandatory (discretionary) requirements as specified in Part E of Schedule II of SEBI Listing Regulations as far as possible.

Internal Auditors Report: The Internal Auditors of the Company directly submit their reports to the attention of the Chairman of the Audit Committee of the Board.

Auditors Report : There has been no qualification/ adverse remark by the Auditors in their Audit Report for the year.

11.7 Web-link where policy on determining 'material' subsidiaries

The Company does not have any Material Subsidiary.

11.8 Web Link for Policy on dealing with Related party Transactions

The Company's policy on Related Party Transaction is available on the Company's website at www.rossellindia.com

11.9 Commodity price risk or foreign exchange risk and hedging activities :

The Company's Policy is to take appropriate steps to guard the risks arising out of major foreign currency exposure for its import payables and export receivables.

For and on behalf of the Board

Annexure 2 to the Report of the Board Directors

REPORT ON CSR ACTIVITIES/INITIATIVES

[Pursuant to Section 135 of the Act read with Companies (CSR Policy) Rules, 2014]

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is http://www.rossellindia.com/financial-result/CSR_Policy.pdf
2	The Composition of the CSR Committee.	i) Dr. S. S. Baijal - Chairman (Independent Director) ii) Mr. V. P Agarwal - Member (Independent Director) iii) Mr. C. S. Bedi – Member (Managing Director)
3	Average net profit of the company for last three financial years	₹ 2,449.71 lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 49.00 lakhs
5	Details of CSR activities/projects undertaken during the year :	
	a) total amount to be spent for the financial year	₹ 49.00 lakhs
	b) amount un-spent, if any	N.A
	c) manner in which the amount spent during financial year,	The manner in which the amount was spent is detailed in the Annexure-A below.

Annexure -A

1	2	3	4	5	6	7	8
Sl. No.	CSR project/activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area/ others- 2.specify the state /district (Name of the District/s, State/s where project/ programme was undertaken)	Amount of outlay (budget) project/ programme wise ₹ In lakhs	Amount spent on the project/ programme ₹ In lakhs	Cumulative spend upto to the reporting period ₹ In lakhs	Amount spent: Direct/ through implementing agency
A.	Direct Expenditure on Projects						
1	Running and Maintenance of Free Dispensary	Promoting Preventive Health Care	Delhi, NCR Area	11.00	12.00	12.00	Through BMG Foundation, Delhi
2	Community Based Creches at Urban Slums	Promoting Education among little Children	Delhi, NCR Area	13.67	13.67	13.67	Through Mobile Creches, Delhi



Annexure 2 to the Report of the Board Directors

3	Overall development of Children (basic nutritional food with regular health checkups, improvement in educational institutions, free educational materials, sports and cultural activities, Pre-natal and post care of mothers, immunization etc.)	Eradicating hunger, Poverty, Malnutrition etc.	Romai and Phutahullah villages in the vicinity of Romai T.E., Dibrugarh, Assam	7.00	7.00	7.00	CRY with Bal Sakha, Dibrugarh Unit, Assam
4	Renovation of College Building for Nagrijuli Junior College.	Promoting Education	In the neighborhood of Nagrijuli T.E. Dist. Baksa, Assam	8.50	8.05	8.05	Direct Spending
5	Construction of toilets at Chachaji High School	Promoting Preventive Healthcare and Sanitation	School in the neighborhood of Dikom T. E. (Wilton Division) Dist. Dibrugarh, Assam	4.00	3.57	3.57	Direct Spending
6	Construction of toilets at Baraguri High School	Promoting Preventive Healthcare and Sanitation	In the neighborhood of Nokhroy T.E. Dist. Tinsukia, Assam	4.00	3.59	3.59	Direct Spending
7	Support to blind students by contributing towards food, education, boarding, lodging etc.	Promoting Education	Bharat Blind School Shahdara, 510-A, Circular Road, Shahdara – 110 032, Delhi.	0.60	0.48	0.48	Direct Spending
8	Extending support towards education of differently abled children.	Promoting Education	The Society for Welfare of Differently Abled Persons (Physically Handicapped) Education and Research Centre at Pune area.	0.60	0.60	0.60	Direct Spending
B. Overheads - Service Tax					0.23	0.23	
TOTAL				49.37	49.19	49.19	

Responsibility Statement

The CSR committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Place : Delhi

Date : 30th May, 2016

H. M. Gupta

Executive Chairman and CEO

Dr. S. S. Baijal

Chairman of CSR Committee

Annexure 3 to the Report of the Board Directors

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN	L01132WB1994PLC063513
2	Registration Date	10th June, 1994
3	Name of the Company	ROSSELL INDIA LIMITED
4	Category/Sub-Category of the Company	Public Company Limited by Shares
5	Whether listed Company (Yes/No)	Yes
6	Address of the Registered Office and contact details	Jindal Towers, Block - "B", 4th Floor, 21/1A/3, Darga Road Kolkata – 700017, West Bengal
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	C B Management Services Pvt Ltd. P - 22, Bondel Road, Kolkata, West Bengal - 700019, Tel; 033-22806692/93/94, 40116700/6711/6718/6723 Email : rta@cbmsl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1.	Tea & Tea Products	99611272	74.72%
2.	Aviation Products and Services	98882	17.98%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	CAE Rossell India Ltd.	U80102DL2008PLC179630	Wholly Owned Subsidiary	100%	Sec 2(87)
2.	R. V. Enterprizes Pte. Ltd., Singapore	N.A	Joint Venture / Associate	26%	Sec. 2 (6)



Annexure 3 to the Report of the Board Directors

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual /HUF	32,91,054	—	32,91,054	8.97	32,91,054	—	32,91,054	8.97	—
(b) Central Govt.	—	—	—	—	—	—	—	—	—
(c) State Govt. (s)	—	—	—	—	—	—	—	—	—
(d) Bodies Corporate	2,41,34,609	—	2,41,34,609	65.77	2,41,34,609	—	2,41,34,609	65.77	—
(e) Bank/FI	—	—	—	—	—	—	—	—	—
(f) Any other	—	—	—	—	—	—	—	—	—
SUB TOTAL : (A)(1)	2,74,25,663	—	2,74,25,663	74.74	2,74,25,663	—	2,74,25,663	74.74	—
(2) Foreign									
(a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
(b) Other – Individuals	—	—	—	—	—	—	—	—	—
(c) Bodies Corp.	—	—	—	—	—	—	—	—	—
(d) Banks / FI	—	—	—	—	—	—	—	—	—
(e) Any Other	—	—	—	—	—	—	—	—	—
Sub-total(A)(2)	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2,74,25,663	—	2,74,25,663	74.74	2,74,25,663	—	2,74,25,663	74.74	—
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,50,010	—	1,50,010	0.41	1,50,010	—	1,50,010	0.41	—
b) Banks / FI	—	90,300	90,300	0.24	—	90,300	90,300	0.24	—
c) Central Govt.	—	150	150	0.00	—	150	150	0.00	—
d) State Govt.(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIIs	35,00,000	—	35,00,000	9.54	34,67,391	—	34,67,391	9.45	(-)0.09
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1)	36,50,010	90,450	37,40,460	10.19	36,17,401	90,450	37,07,851	10.10	(-)0.09
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian									
(ii) Overseas	12,74,401	4,055	12,78,456	3.48	13,74,597	3,980	13,78,577	3.76	(+)0.28
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	17,96,324	5,18,942	23,15,266	6.31	18,66,605	5,05,588	23,72,193	6.46	(+)0.15
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	15,92,660	1,50,000	17,42,660	4.75	14,06,811	1,50,000	15,56,811	4.24	(-)0.51
(c) Others (specify)	1,93,820	150	1,93,970	0.53	2,55,155	225	2,55,380	0.70	(+)0.17
Sub-total (B)(2):	48,57,205	6,73,147	55,30,352	15.07	49,03,168	6,59,793	55,62,961	15.16	(+)0.09
Total Public Shareholding (B)=(B)(1) + (B)(2)	85,07,215	7,63,596	92,70,812	25.26	85,20,569	7,50,243	92,70,812	25.26	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	3,59,32,878	7,63,597	3,66,96,475	100.00	3,59,46,232	7,50,243	3,66,96,475	100.00	—

Annexure 3 to the Report of the Board Directors

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	BMG ENTERPRISES LTD.	2,31,13,795	62.99	0.00	2,31,13,795	62.99	0.00	0.00
2.	BMG INVESTMENTS PVT LTD	5,49,769	1.50	0.00	5,49,769	1.50	0.00	0.00
3.	HARVIN ESTATE PVT. LTD.	4,71,045	1.28	0.00	4,71,045	1.28	0.00	0.00
4.	HARSH MOHAN GUPTA	18,53,785	5.05	0.00	18,53,785	5.05	0.00	0.00
5.	RISHAB MOHAN GUPTA	7,43,599	2.03	0.00	7,43,599	2.03	0.00	0.00
6.	VINITA GUPTA	6,93,670	1.89	0.00	6,93,670	1.89	0.00	0.00
	TOTAL	2,74,75,663	74.74	0.00	2,74,25,663	74.74	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2,74,75,663	74.74	2,74,75,663	74.74
	No change in Promoters' Shareholding during the year			
At the end of the year	2,74,75,663	74.74	2,74,75,663	74.74

iv) Shareholding Pattern of top ten Shareholders

SL	Folio No/DP	SOLE/FIRST NAME OF THE SHAREHOLDER		DATE	NO. OF SHARE	%TO TOT	NO. OF SHARE	%TO TOT
1	IN30134820011233	ELARA INDIA OPPORTUNITIES FUND LIMITED	At the beginning of the year	01-04-2015	35,00,000	9.54	35,00,000	9.54
			SALE	14-08-2015	1,609	0.00	34,98,391	9.53
			SALE	04-12-2015	31,000	0.08	34,67,391	9.45
			At the end of the year	31-03-2016			34,67,391	9.45
2	IN30032710574027	ASWINI AGARWAL	At the beginning of the year	01-04-2015	6,33,250	1.73	6,33,250	1.73
			SALE	10-04-2015	5,00,000	1.36	1,33,250	0.36
			SALE	19-06-2015	1,25,000	0.34	8,250	0.02
			At the end of the year	31-03-2016			8,250	0.02
3	IN30115121312415	ASWINI AGARWAL	At the beginning of the year	01-04-2015	5,00,000	1.36	5,00,000	1.36
			BUY	10-04-2015	5,00,000	1.36	10,00,000	2.73
			BUY	19-06-2015	1,25,000	0.34	11,25,000	3.07
			SALE	20-11-2015	22,718	0.06	11,02,282	3.00
			SALE	04-12-2015	28,500	0.08	10,73,782	2.93
			SALE	18-12-2015	2,666	0.01	10,71,116	2.92
			At the end of the year	31-03-2016			10,71,116	2.92
4	IN30124110000029	GLOBAL CREDIT CAPITAL LTD.	At the beginning of the year	01-04-2015	2,36,100	0.64	2,36,100	0.64
			SALE	17-04-2015	9,000	0.02	2,27,100	0.62
			At the end of the year	31-03-2016			2,27,100	0.62



Annexure 3 to the Report of the Board Directors

SL	Folio No/DP	SOLE/FIRST NAME OF THE SHAREHOLDER		DATE	NO. OF SHARE	%TO TOT	NO. OF SHARE	%TO TOT
5	IN30124110010156	PNR CAPITAL SERVICES LIMITED	At the beginning of the year	01-04-2015	1,80,586	0.49	1,80,586	0.49
			SALE	10-04-2015	2,086	0.01	1,78,500	0.49
			SALE	23-10-2015	10,200	0.03	1,68,300	0.46
			At the end of the year	31-03-2016			1,68,300	0.46
6	A00355	ASHWINI KR AGARWAL	At the beginning of the year	01-04-2015	1,50,000	0.41	1,50,000	0.41
		NO CHANGE DURING THE PERIOD	At the end of the year	31-03-2016			1,50,000	0.41
7	IN30081210489442	ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA - ASSET RECONSTRUCTION FUND	At the beginning of the year	01-04-2015	1,50,000	0.41	1,50,000	0.41
		NO CHANGE DURING THE PERIOD	At the end of the year	31-03-2016			1,50,000	0.41
8	IN30177410010625	MANINDER SINGH	At the beginning of the year	01-04-2015	1,27,800	0.35	1,27,800	0.35
			SALE	08-05-2015	40,000	0.11	87,800	0.24
			SALE	21-08-2015	1,203	0.00	86,597	0.24
			SALE	21-08-2015	86,597	0.24	0	0.00
			At the end of the year	31-03-2016			0	0.00
9	IN30032710574035	SHANTI DEVI AGARWAL	At the beginning of the year	01-04-2015	1,20,000	0.33	1,20,000	0.33
		NO CHANGE DURING THE PERIOD	At the end of the year	31-03-2016			1,20,000	0.33
10	IN30124110016928	EASTERN INDIA POWER AND MINING COMPANY PRIVATE LIMITED	At the beginning of the year	01-04-2015	36,500	0.10	36,500	0.10
			BUY	17-04-2015	60,000	0.16	96,500	0.26
			BUY	30-10-2015	13,759	0.04	1,10,259	0.30
			BUY	04-03-2016	45,000	0.12	1,55,259	0.42
			At the end of the year	31-03-2016			1,55,259	0.42
11	IN30124110022791	ALKYONE REALTORS PRIVATE LIMITED	At the beginning of the year	01-04-2015	1,16,100	0.32	1,16,100	0.32
			SALE	17-04-2015	4,500	0.01	1,11,600	0.30
			At the end of the year	31-03-2016			1,11,600	0.30

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginnings of the year		Shareholding at the end of the year	
	Name of the Director/KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. H. M.Gupta	18,53,785	5.05	18,53,785	5.05
2	Dr. S. S. Baijal	7,500	0.02	7,500	0.02
3	Mr. C. S. Bedi	500	0.00	500	0.00
4	Mr. N. K. Khurana	3,700	0.01	3,700	0.01

Annexure 3 to the Report of the Board Directors

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,529.24	NIL	NIL	5,529.24
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	36.72	NIL	NIL	36.72
Total (i+ii+iii)	5,565.96	NIL	NIL	5,565.96
Change in Indebtedness during the financial year				
• Addition	77,085.52	2,000.00	NIL	79,085.52
• Reduction	75,960.83	1,500.00	NIL	77,460.83
Net Change	1,124.69	500.00	NIL	1,624.69
Indebtedness at the end of the financial year				
i) Principal Amount	6,653.93	500.00	NIL	7,153.93
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	30.81	0.25	NIL	31.06
Total (i+ii+iii)	6,684.74	500.25	NIL	7,184.99

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. H.M. Gupta	Mr. C.S. Bedi	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	86.40	44.55	130.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16.45	13.31	29.76
	(c) Profits in lieu of salary under	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
	- as % of profit	—	—	—
	- others, specify...			
5.	Others, please specify	—	—	—
	Total (A)	102.85	57.86	160.71*
	Ceiling as per the Act (@10% of the profits calculated under section 198 of the Companies Act, 2013)			140.00

* Minimum Remuneration paid during the year.

B. Remuneration to other Directors :

₹ in lakhs

Sl. N	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Dr. S.S. Baijal	Mr. H.M. Parekh	Mr. V. P. Agarwal	
	• Fee for attending board / committee meetings	1.88	2.30	2.30	6.48
	• Commission	2.50	2.50	2.50	7.50
	• Others, please specify	-	-	-	-
	Total (1)	4.38	4.80	4.80	13.98



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Sl. N	Particulars of Remuneration	Name of Directors	Total Amount
2.	Other Non-Executive Directors	Ms. Nayantara Palchoudhuri	
	▪ Fee for attending board / committee meetings	1.68	1.68
	▪ Commission	2.50	2.50
	▪ Others, please specify	-	-
	Total (2)		4.18
3.	Total (1+2)		18.15
	Total Managerial Remuneration (Excluding Fees)		10.00
	Overall Ceiling as per the Act (@1% of profits calculated Under Section 198 of the Companies Act, 2013)		14.00

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

₹ in lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
	Mr. N.K. Khurana	Chief Financial Officer-cum- Company Secretary	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.68	40.68
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.97	3.97
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, please specify	-	-
	Total	44.65	44.65

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

There was no Penalty/Punishment/Compounding of Offences on the Company during the Financial Year 2015-2016.

Annexure 4 to the Report of the Board Directors

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Rossell India Limited
Jindal Towers, Block – “B”, 4th Floor,
21/1A/3, Darga Road,
Kolkata – 700 017
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rossell India Limited** having its Registered Office at Jindal Towers, Block – “B”, 4th Floor, 21/1A/3, Darga Road, Kolkata – 700 017, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

AUDITORS’ RESPONSIBILITY

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers’ and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards (SS – 1 and SS-2) as issued by The Institute of Company Secretaries of India and which became effective from 01.07.2015.
- (iii) Listing Agreement with Stock Exchanges.
- (iv) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;



Annexure 4 to the Report of the Board Directors

- (vi) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with :

- (a) Food Safety and Standards Act, 2006
- (b) Tea Act, 1953
- (c) Plantations Labour Act, 1951

to the extent of their applicability to the Company during the financial year ended 31.03.2016 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company :

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) SEBI (Share Based Employee Benefits) Regulations, 2014
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

We further report that :

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **A. K. Labh & Co.**
Company Secretaries

CS A. K. Labh

Practicing Company Secretary
FCS – 4848 / CP No.-3238

Place : Kolkata
Dated : 30th May, 2016

Annexure 5 to the Report of the Board Directors

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1) Details of contracts or arrangements or transactions not at arm's length basis :		
(a)	Name(s) of the related party and nature of relationship	The Company has not entered in to any contract or arrangement or transactions with its related parties which is not at arm's length during the financial year 2015-2016.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2) Details of material contracts or arrangement or transactions at arm's length basis :		
(a)	Name(s) of the related party and nature of relationship	The Company has not entered in to any material contract or arrangement or transactions with its related parties during the financial year 2015-2016.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board	
(f)	Amount paid as advances, if any	



Annexure 6 to the Report of the Board Directors

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Requirement of Rule 5(1)		Particulars			
(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year.	1. Mr. H.M. Gupta, Executive Chairman –227.01 : 1.00 2. Mr. C.S. Bedi, Managing Director - 127.70: 1.00 Sitting Fees/ Commission paid to Non-Executive Directors have not been considered to ascertain this ratio.			
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	1. Mr. H. M. Gupta, Executive Chairman & CEO–122.14% 2. Mr. C. S. Bedi, Managing Director - 17.82% 3. Mr. N. K. Khurana, CFO-cum-CS – 22.54% All increases in Remunerations were made in accordance with the Remuneration Policy of the Company.			
(iii)	The percentage increase in the median remuneration of employees in the financial year.	During the financial year 2015-2016, the percentage increase in the median remuneration of employees as compared to previous year was approximately 25.82%			
(iv)	The number of permanent employees on the rolls of company.	There were 6,201 Employees as on 31st March, 2016.			
(v)	The explanation on the relationship between average increase in remuneration and company performance.	The average increase in remuneration of employees is made in accordance with the Remuneration Policy of the Company, where employees are granted increments based on their performance as well as the performance of the Company. However, unionised employees in the Rossell Tea Division are governed by respective Agreement (Industry wise) and the average increase in remuneration is in accordance with the terms of such Agreement.			
(vi)	Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company.	The remuneration of the KMPs is in accordance with the remuneration policy of the Company as affirmed in item (xii) below. Their remuneration is determined based on their individual performance which is correlated to the performance of the Company.			
(vii)	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.	Market Capitalization			
			As on 31.03.2015 ₹ In lakhs	As on 31.03.2016 ₹ In lakhs	% Change
		BSE	30,696.60	41,467.01	35.09%
		NSE	30,568.16	41,375.27	35.35%
		Price Earnings Ratio			
			As on 31.03.2015	As on 31.03.2016	% Change
		BSE	76.74	42.80	44.23%
		NSE	76.74	42.71	44.12%
		The Company has not made any public offer of securities since inception. Thus, the question of comparison of market quotation of shares with that with the last public offer does not arise.			
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentile increase in the salaries of employees, other than the Managerial Personnel, in the last Financial Year 2015-2016 was around 10%. The Executive Chairman of the Company was paid Minimum Remuneration in view of inadequate profit, within the limit permissible under the provisions of Section 197 read with Schedule V of the Companies Act, 2013.			

Annexure 6 to the Report of the Board Directors

(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the company.	<p>a) Remuneration of Mr. H. M. Gupta, Executive Chairman constitutes 3.60 % of the EBIDT of the Company,</p> <p>b) Remuneration of Mr. C. S. Bedi, Managing Director, constitutes 2.02% of the EBIDT of the Company, and</p> <p>c) Remuneration of Mr.N.K. Khurana, CFO cum CS it is 1.56% of EBIDT.</p>
(x)	The key parameters for any variable component of remuneration availed by the Directors.	<p>The Executive Chairman and the Managing Director were not in receipt of any variable component of the remuneration.</p> <p>The Members have, at the AGM of the Company held on 2nd August, 2013 approved payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed pursuant to Section 309(5) of the Companies Act, 1956 [corresponding to Section 197 of the Companies Act, 2013]. The said Commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their seniority, attendance and contribution at the Board and certain Committee Meetings, as well as the time spent on operational matters other than at meetings.</p> <p>During the financial year 2015-2016 the said Commission has been distributed equally amongst the Non-Executive Directors.</p>
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	This is not applicable to the Company.
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company.	The Company affirms that the remuneration of Directors, Senior Management and Employees is as per the Remuneration Policy of the Company



Annexure 7 to the Report of the Board Directors

Statement of Particulars of employees pursuant to Section 134 (3)(q) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name	Designation Nature of Duties	No. of Shares held	Remunera- tion Received [₹ in Lakhs]	Qualification	Experi- ence in years	Age in years	Date of commence- ment of employment	Last employment held
1.	H. M. Gupta	Executive Chairman	18,53,785 nos. of Equity Share (5.05%)	102.85	B. A. (Hons.)	41	61	1st May, 1996	BMG Enterprises Ltd. – Chairman and Managing Director (still continuing)
2.	P. K. Bhagvandas	CEO- RossellTechsys Division	NIL	65.63	B.Tech, MBA in Business Management	34	54	17th January, 2011	Managing Director, Broadcom India Private Limited

Notes :

1. Remuneration as defined under Sec. 2(78) of the Companies Act, 2013 includes Salary, Allowances and Perquisites as defined under the Income Tax Act, 1961.
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. None of the persons listed above is a relative of any of the Directors of the Company.

Annexure 8 to the Report of the Board Directors

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. INDUSTRY STRUCTURE AND DEVELOPMENTS

Rossell Tea

World crop for 2015 was 1,905.20 million kgs. against 1,990.80 million kgs in 2014 with deficits coming from India 16.21 million kgs., Kenya 47.00 million kgs., Sri Lanka 8.40 million kgs. and other growing areas combined 11.69 million kgs. The all India deficit comprised of North India 1.57 million kgs and South India 14.64 million kgs.

As has become the norm 2015 saw some fluctuations in weather. However, due to good winter rains the North Indian crops deficit reduced to 1.57 million kgs. Rossell saw healthy cropping in March 2016 and was 1.89 lac kgs. (+3.87%) ahead at the end of 2015-16 as compared to 2014-2015.

The CTC market at the start of the season started slowly but thereafter the market segmented itself quickly with top quality teas seeing very good price levels. As in the past the concertina between best and the good medium varieties continued to widen. Due to high quality of tea produced by your company, it excelled by achieving average price realization of ₹221.17 per kg for its CTC teas compared to ₹196.83 per kg for the previous year and the auction average of ₹153.76.

The orthodox segment saw an increased production of 5.0 million kgs. out of Assam in 2015-2016. Due to this over production, the market saw slightly lower prices, a purely market phenomenon. It must be recorded that due to issues in Iran, we saw delays in opening of LCs and this created a challenging situation. We however achieved healthy averages for orthodox at ₹261 per kg. against ₹249 per kg. last year and the Assam average for 2015-2016 at ₹219.61 per kg.

Given our quality standards, our judicious product-mix coupled with motivation that comes with the job, we again were able to outperform the market in fiscal 2015-2016 for both orthodox and CTC teas which averaged ₹241.62 per kg. against ₹225.61 per kg. in 2014-2015 i.e. +7.1% over 2014-2015.

On the export front despite a weak Euro and slowdown in Iran, exports overall touched 1.48 million kgs. which was slightly lower than the performance of 1.51 million kgs. the previous year. Nonetheless we were successful in widening our basket of buyers. The total revenue in fiscal 2015-2016 of ₹ 42.77 crore for exports, compares favourably with 2014-2015 which saw a 17.93% increase in revenue over 2013-2014. Quality production and enhanced exports, continue to be a focus area for the Division for increased revenue in coming years.

Aviation Products and Services

Aerotech Services has established itself as a reliable partner to original equipment manufacturers for providing Quality and timely technical product support. With the passage of each year, Aerotech Services have been assigned additional responsibilities by the OEM.

Rossell Techsys Division has four strategically selected competency areas – (a) Wire Harness or inter-connect competency, (b) Embedded Systems (c) Test Solutions (d) Product Support. The wire harness competency has reached significant growth phase and Rossell Techsys continues to increase its value addition in wire harness and looms.

Rossell Hospitality

Quick Service Restaurant (QSR) have been a key segment for the Indian Food Services market and have grown over the years, thanks to their focus on affordable and competitive pricing clubbed with catering to such growing consumer need as convenience, increased appetite and craving for quick food. A number of international QSR chains have flocked to India over the past few years, with specific cuisines and product offerings, fuelling the market's growth.

The entry of a number of international players into the QSR space has widened the market to an estimated size of ₹5,500 crore in 2013. Further, this is projected to grow at a CAGR of 25% to reach ₹ 16,785 crore by 2018. This segment is expected to witness increased activity via market expansion and entry by various players.

b. OPPORTUNITIES AND THREATS

Rossell Tea

Production

As we review any forthcoming year, a threat and opportunity scenario of the world crop in general and the Indian crop in particular has to be viewed. The former to evaluate export potential and the latter for internal sales. This is a major indicator of what is likely to happen as we go through a production year.



Annexure 8 to the Report of the Board Directors

Whilst all major tea producing countries particularly Kenya, India and Sri Lanka among the majors, were lower in crop in 2015, the year 2016 has commenced with Kenya surging ahead by 28.35 million kgs by end March. Sri Lanka is at par this year so far. Being our major competitors - Kenya in CTC category and Sri Lanka in orthodox category - should their crops continue to move forward aggressively, we feel that exports could be a challenge. One reason is the competitive advantage which Kenya enjoys on prices and of course on inventories, as this country produces through the year and North East India only produces for nine months a year, forcing buyers of Indian teas to hold inventories through the non-producing months.

Climate change

Climate change is one unpredictable phenomenon, given that there has been increase in temperatures and decrease in rainfall; both these trends affect productivity of the tea bushes; both in short and long term. Increase in pest attacks due to deforestation and climate change is an accompanying threat in as much as costs of production increases and crops loss also occurs. However sustainable agriculture as practiced at Rossell continues to be a good bulwark, and helps mitigate the effects of climate change.

Consumption

Consumption on the Indian subcontinent is increasing by 3% annually, while in China there is a similar trend in green tea consumption. In India we largely expect a stable market and over the medium term the market could be demand led. Further, distinct market segmentation into best, good, medium and plain teas, is here to stay. The consumer is willing to pay for quality and hence we see this as a great opportunity.

Quality

The price concertina continues to widen between best quality and other categories. With our stated policy of "consistent quality" we see this as an opportunity and have been leveraging this intrinsic strength and thereby outperforming the market year after year. This has been recognized within the country and internationally, and 'brand Rossell' continues to grow.

One word of caution, the industry must resist the temptation of flooding the market with sub-standard quality teas. Such action often pulls down the prices across categories due to sheer weight of availability and the resultant need to sell poor teas quickly.

Costs

We have over the years reported our apprehension of increasing cost of production and selling prices not keeping pace with enhanced costs. Tea is a cyclical industry and often subject to cyclical prosperity.

Middle East

The overall situation in most Middle East tea importing countries shows some improvement and stability as in Iran and Egypt; this augurs well in the medium term, beyond which it is currently difficult to predict.

Changing Times

With tea consumption increasing in India, China, USA and Canada, we feel stable demand will be forthcoming. However tastes are changing and the need for tea is to reinvent itself to make it more attractive to younger consumers. This needs to be done world-wide.

Aviation Products and Services

As far as Aerotech Services is concerned, In December, 2015, Government of India, Ministry of Defense (GOI/MOD) have issued office memorandum wherein Govt. have reinstated "Services" as an eligible avenue for offset discharge. Foreign companies will now look for availing more and more services eligible for offsets from Indian companies.

Rossell Techsys Division sees opportunities in exploring JV's / partnerships in its competency areas, especially as more and more foreign companies are looking at India for increased value. The Division proposes to identify key technology / business areas to leverage on interest that can be rewarding. Further, the Division has set aggressive growth plans, with targets being exponential.

With the Government of India diluting the requirements of FDI investments in Aerospace and Defense, it is foreseen that more foreign companies may consider forming partnerships and joint ventures in India, especially between global wire harness manufacturing companies, who are incumbent Tier I companies for global players like Boeing, and Indian companies in the Aerospace and Defense segment, in particular.

Annexure 8 to the Report of the Board Directors

Rossell Hospitality

The average Indian is today waking up to a nascent yet formidable “Eating Out” culture, making food services one of the most promising business sectors in India. The advent of nuclear families, double income, fast tracked lifestyle, need for convenience, increased appetite and cravings has emerged as a big opportunity.

Some of the key challenges which directly affect the industry are---Food inflation, Product imitation, Price competition, Trained Manpower, High real estate and labour costs.

c. SEGMENT-WISE BUSINESS PERFORMANCE

Rossell Tea

A slower start to production saw lower offerings at the market place. Thereafter, the market for CTC teas strengthened, aided by the faltering output levels on the African continent. CTC teas saw good demand and improved prices. The market has for a few years clearly segmented itself by rewarding quality.

Exports having touched 1.51 million kgs. in 2014 -2015 were flat at 1.48 million kgs. in 2015-2016. Maintaining this volume of export is significant, considering that in 2014-2015 exports increased by 22% over 2013-2014. We consider the current quantities as consolidation and will move up in due course. It is also significant that we have held on to our quantities.

The Division received attractive prices for its orthodox and CTC teas for a year end average of ₹ 241.64 against ₹225.64 per kg.+7%. This is significant given the difficult conditions experienced in 2015-2016. The bottom line is that the Division's performance was consistent and in keeping with its high quality standards, which have qualified as an industry benchmark.

It is pertinent to mention that all our estates continue to be certified FSSC ISO: 22000 / 2015 in keeping with our high food safety, commitments and standards.

Aviation Products and Services

Aerotech Services has adapted a policy of timely service to the customer. We have continued to spend on enhancing the capability of our FSEs. The FSEs are now maintaining equipment and are providing services to ensure high reliability of the OEM equipment. This aspect has been appreciated by the OEMs and the customers.

The overall performance of Rossell Techsys has been, once again, exceptionally good.

Sales: The sales performance has exceeded targets specified at the start of the financial year 2015-2016. For the period ended 31st March 2016, total sales were ₹ 1,308 lakhs as compared to ₹ 587 Lakhs in financial year 2014-2015. The Division achieved a total of ₹ 1,256 lakhs in exports and ₹ 52 Lakhs of domestic sales.

The revenue increase from target is 18.9% and has been due to increased shipments over multiple platforms to the Division's premier customer Boeing. On the expenses side, total operating costs have been controlled. The loss for the year stands at ₹ 732.61 Lakhs as against the estimate of ₹ 805.00 Lakhs, a reduction by about 9%. On a cash basis, the actual loss for the year is around ₹ 550 lakhs as against the estimate of ₹ 661 lakhs. The reduction is 16.79% from plan.

The total staff costs stand at ₹ 897 lakhs as against the budgeted expense of ₹ 924 lakhs, a reduction of 3% from the budget. The total non-staff costs, stands at ₹ 602 lakhs as against ₹ 586 lakhs budgeted, an increase by 3%. This has been due to unforeseen overseas travel related to business.

Exports, largely from Boeing, have resulted in a continuous cash flow through the year.

As the Division is an Export Oriented Unit (EOU), it needs to ensure positive Net Foreign Exchange (NFE). At the end of the FY 2015-2016, the NFE stood at ₹ 738 lakhs or 48.57% of export revenue.

Due to expansion and growth needs, the Rossell Techsys division has taken additional floor space in another building. The division also invested in acquiring an industrial land on long lease (99 years) from KIADB. This plot of land is located at the Devanahalli Aerospace Park, near the Bangalore Airport and admeasures 3.95 acres.

Rossell Hospitality

The Division ended the financial year 2015-2016 with a total of 10 operational outlets of Kebab Xpress in NCR and now looking to open additional 20 outlets in the financial year 2016-2017.

The Rossell Hospitality Division will be commencing Kebab Xpress operations outside NCR too. Initial target is to open with a new commissary and 5 outlets in another location.



Annexure 8 to the Report of the Board Directors

d. OUTLOOK

Rossell Tea

The season has started with a near record in March, the last production month for fiscal 2015-2016. This is on the back of well distributed winter rainfall, the like of which was not seen for two previous years and more.

Suffice it to say that going into fiscal 2016-2017, bushes are in better health and should perform well. However in April and May, unpredictable weather took over and through these months, it rained heavily, with very low temperatures, April and May were poorer than last year. Heavy rains brought cold damp weather causing outputs to reduce. This was more pronounced in Upper Assam. June cropping is satisfactory and would be better than June 2015.

The market after a slow start has picked up steam and prices have moved up given the onset of the second flush. We believe that all things being even, cropping in 2016-2017 will be better than the previous year, despite the slower start in the first quarter of the year.

Currently exports to the Continent and Iran have commenced.

Aviation Products and Service

As in previous years, Aerotech Services is confident that this year also, it will continuously provide timely support to the satisfaction of both the OEMs and the end-customers. The Division is confident of securing more contracts in years to come from existing and new OEMs.

In the year 2016-2017, the Rossell Techsys Division should see added business contracts in the early months / quarters. The Division has already submitted a number of proposals in the wire harness competency area and continues to submit proposals at the rate of at least one a month. The Division has signed number of MOUs / NDAs / Letter of Intents, with ELBIT, COBHAM, and Lockheed Martin. All these MOUs are targeted towards creating an Indian Offset Partnership (IOP) with these OEMs.

Rossell Hospitality

The organized food services market is slated to witness a double-digit growth in the next five years, spurred by the changing consumption habits of the Indian consumer and the emergence of new players in the space. Many Private Equity (PE) firms, Venture Capitalists (VCs) and angel investors have also made investments in this sector. The market represents a vast untapped potential with eating out becoming a regular form of entertainment for consumers today. The Indian cuisine continues to enjoy the top slot for consumers eating out and are welcoming newer formats which provide them convenience, ease of ordering and international looks and service style.

e. RISKS AND CONCERNS

Rossell Tea

As stated earlier, tea is an agri-horticultural pursuit and therefore weather plays an important part in the success or failure of the annual crop. This climate change with its attendant impact has become a major talking point. The Division continues to take action in the areas of risk mitigation, and in the year it has strengthened its irrigation assets at Nokhroy, Dikom and Nagrijuli T.Es. Further, planting of trees and developing water bodies for improved microclimate is another area of attention.

We are at the cusp of a difficult wage structure, as government subsidies decline and as wage and other labour costs surge. Increase in cost of inputs, puts further pressure on costs; as also wages have seen a substantial increase over the last two years. The challenge continues to be the need to produce better quality. We have a cushion of additional crops from young tea areas, which are now beginning to mature. This is the result of a long term prudent policy to invest in replanting old teas.

Lastly stable conditions should continue in tea importing countries to enable seamless and profitable trade. The recent events in Iran, particularly lifting of sanctions, will see competition increase with entry of packet tea players from the west.

Overall the Indian tea market is likely to be stable in the medium term as with increasing consumption trend, the market should be demand led.

Aviation Products and Services

In new contract signed by the Aerotech Services Division, there are clauses for penalties to be imposed in case of delay in providing services. For these contracts, our engineers in the last two years have provided the services well in time ensuring

Annexure 8 to the Report of the Board Directors

that there are no penalties levied. The risk of variations in foreign currency exchange rate is real and can effect overall earnings.

For Rossell Techsys Division, the main risk is the dependency on a single customer, who adopts a strategy of encouraging "compete to bid" to achieve lower costs. This makes the Division vulnerable to predatory pricing. The Division recognizes this risk and is striving to add more customers to mitigate the single customer dependency. Further, the raw material prices, from foreign sources, are linked to volume of business and firm commitments. To add to this is the Minimum Order Quantities (MOQ) that is encountered in raw material procurement. With a strategy of "negligible" inventory, it is inevitable that the MOQ costs are apportioned to keep overheads low. This strategy inflates the price of the raw material.

Lack of aggressive marketing effort is impacting the ability of the division to gain further traction with other customers around the globe. This risk needs to be mitigated by putting in place a concerted marketing drive and investing in people, travel and collaterals.

Rossell Hospitality

Maintaining Set Quality Standards and addressing high attrition at entry level in the industry, developing right talent, learning curve & brand positioning issues are the major concerns for the industry.

f. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

All the Divisions of the Company have internal control systems at all levels of Management, which are reviewed from time to time and improved where required.

The Internal Audit is carried out largely by Firms of Chartered Accountants and for certain Divisions in-house. The Audit Committee of the Board looks into Auditors' review, which is deliberated upon and corrective actions taken.

g. FINANCIAL AND OPERATIONAL PERFORMANCE

Along with the continual emphasis on quality upgradation of product and services, prudent management of costs, has been the stated objective of all the Divisions of the Company.

The operating profit before depreciation in respect of Rossell Tea for the year was ₹ 2,005.00 lakhs against ₹ 1,906.22 lakhs in the previous year.

The Aviation Products and Services business segment of the Company made a profit of ₹ 701.50 lakhs before depreciation, as against loss before depreciation of ₹ 277.80 lakhs in the previous year.

Rossell Hospitality Division posted a loss before depreciation of ₹ 930.98 lakhs as against ₹ 839.55 lakhs in the previous year.

The overall operating profit before depreciation of the Company is ₹ 2,158.63 lakhs as against ₹ 1,531.36 lakhs in the previous year. The financial base of your Company remains strong and we expect further strengthening thereof with better financial and operational performance in the future.

h. HUMAN RESOURCES DEVELOPMENT

Human resources are a valuable asset at the Corporate Office, as also at the various Divisions/ Units of the Company and adequate attention is paid to their development and well-being.

Training and development is one of the integral branches of Human Resources function. Emphasis is given by the Management on talent acquisition, correct recruitment practices and retention planning with effective organizational development. In these ever dynamic conditions, the training and development of teams is focused on the behavioral and process oriented training. A Career development programme is centric to such training. The Human resource policy of the Company is to ensure that the best talent is retained and developed so that each of the Divisions of the Company maintains its competitive position with respect to execution.

Industrial relations at all the divisions remain satisfactory, where your Company employs about 6,201 personnel on its roll.



CEO and CFO Certification

The Board of Directors

Rosell India Limited

Jindal Towers

Block 'B', 4th Floor

21/1A/3, Darga Road

Kolkata - 700 017

Dear Sirs,

We hereby certify to the Board that:

- a) We have reviewed Financial Statements and Cash Flow Statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact 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 :
 - (i) Significant changes in internal control, if any, during the year.
 - (ii) Significant changes in accounting policies, if any, during the year, subject to disclosure of the same in the notes to the financial statements
 - (iii) Instances of significant fraud of which we become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours faithfully

Place : Delhi

Date : 30th May, 2016

H. M. GUPTA
Chief Executive Officer

N. K. KHURANA
Chief Financial Officer

Declaration

In terms of Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, it is hereby declared that the Company has obtained affirmation from all members of the Board and Senior Management Personnel that they have complied with the Code of Conduct for Directors and Senior Management of the Company for the Financial Year 2015-2016 and shall comply with such Code during the Financial Year 2016-2017.

Place : Delhi

Date : 30th May, 2016

H. M. GUPTA
Chief Executive Officer

Certificate from Practicing Company Secretaries Regarding Compliance of Conditions of **Corporate Governance**

TO THE MEMBERS OF
ROSSELL INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Rossell India Limited ("the Company") for the year ended on 31st March, 2016 as stipulated in clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the stock exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

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 for 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/Listing Regulations, as applicable.

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 **A. K. Labh & Co.**
Company Secretaries

Place : Kolkata
Dated : 30th May, 2016

CS A. K. Labh
Practicing Company Secretary
FCS – 4848 / CP No.-3238



Independent Auditors' Report

TO THE MEMBERS OF ROSSELL INDIA LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Rossell India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flow for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

Independent Auditors' Report

- b. In our opinion proper books of account 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164(2) of the Act.
- f. Our report on adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, has been stated in Annexure B and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements. Refer Note R in Notes to the Balance Sheet.
 - ii) The Company has made provisions as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – Refer Note C in Notes to the Balance Sheet.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

R. K. Roy Chaudhury
Partner
Membership No. 008816

Place : Camp Delhi
Date : 30th May, 2016



Annexure A to the Independent Auditors Report

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

- i. (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
- (b) These fixed assets have been physically verified by the management at a reasonable interval. No material discrepancies were noticed on such verification as compared to book records.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties are in the name of the Company, except one Tea Estate, which is in the name of the previous owner and as represented by the Management, the execution of Deed of Conveyance in respect thereof is pending sale permission from the concerned authorities of the Government of Assam. While the immovable properties comprising five Tea Estates are mortgaged with the Banks, as confirmed by them, the rest are in the custody of the Company.
- ii. (a) The inventory excluding those lying with third parties have been physically verified by the management during the year, at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The discrepancies noticed on verification of stocks as compared to book records were not material and these have been properly dealt with in the books of account.
- iii. (a) The Company has granted unsecured loan of ₹ 5.00 lakhs to its wholly owned Subsidiary Company in earlier years, which is still outstanding. The Company has not granted any loan, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the Register maintained under Section 189 of the Act.
- (b) In our opinion, rate of interest and other terms and conditions of loan granted to the Subsidiary Company are not prejudicial in the interest of the Company.

There is no stipulation with regard to repayment of the balance of the Loan, which is payable on demand.

- (c) No overdue amount has arisen as no demand for repayment of the balance in the Loan Account has been made by the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of Companies Act with respect to loans and investments made.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted Deposits within the meaning of Section 73 to Section 76 of the Act and the Rules framed thereunder.
- vi. The Central Government has specified for the maintenance of cost records under sub-sec. (1) of Sec.148 of the Act. 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 to determine whether records are accurate and complete.
- vii. (a) According to the information and explanation given to us and on the basis of records of the Company examined by us, we are of the opinion that the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess and other material statutory dues applicable to it.

There is no arrears outstanding statutory dues as at the last day of the financial year for a period of more than 6 months from the date they became payable.

- (b) According to the information and explanation given and records examined by us, there are no dues of Sales Tax or Service Tax or duty of Customs or value added tax, which have not been deposited on account of any dispute except for Income Tax and Cess and the details are as follows:

Amount (Net of On Account Payment) (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
2.94	2012-2013	Commissioner of Income Tax (Appeals)
7.13	2013-2014	Customs, Excise & Service Tax Appellate Tribunal

Annexure A to the Independent Auditors Report

- viii. According to the information and explanations given and on the basis of records examined by us, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company has not taken loan from any financial institution or raised any money through issue of Debentures.
- ix. According to information and explanations given to us, in our opinion the term loans taken have been applied for the purpose for which they were obtained. During the year Company has not raised money by way of initial Public Offer or further Public Offer.
- x. During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit. However, we have been informed of a Cyber fraud of ₹ 3.28 lakhs made on the Company for which necessary police action has been initiated.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

R. K. Roy Chaudhury
Partner
Membership No. 008816

Place : Camp Delhi
Date : 30th May, 2016



Annexure B to the Independent Auditors Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rossell India Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure B to the Independent Auditors Report

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

R. K. Roy Chaudhury
Partner
Membership No. 008816

Place : Camp Delhi
Date : 30th May, 2016

**Balance Sheet as at 31st March, 2016**

₹ in lakhs

Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A	733.93	733.93
(b) Reserves and Surplus	B	21,051.48	20,314.74
		21,785.41	21,048.67
(2) Non-Current Liabilities			
(a) Long-term borrowings	C	1,207.50	2,197.50
(b) Deferred tax liability (Net)	D	24.00	175.84
(c) Long-term provisions	E	274.06	318.56
		1,505.56	2,691.90
(3) Current Liabilities			
(a) Short-term borrowings	F	4,956.43	2,341.74
(b) Trade payables	G	596.24	377.68
(c) Other current liabilities	H	2,736.78	2,362.09
(d) Short-term provisions	I	234.87	350.81
		8,524.32	5,432.32
Total		31,815.29	29,172.89
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	J	21,175.46	19,780.96
(ii) Intangible assets	J	73.83	106.37
(iii) Capital work-in-progress		220.84	122.08
(b) Non-current investments	K	4,621.57	4,898.01
(c) Long-term loans and advances	L	746.56	703.39
		26,838.26	25,610.81
(2) Current assets			
(a) Inventories	M	1,909.56	973.69
(b) Trade receivables	N	2,025.40	1,755.24
(c) Cash and cash equivalents	O	249.50	94.02
(d) Short-term loans and advances	P	349.26	386.81
(e) Other current assets	Q	443.31	352.32
		4,977.03	3,562.08
Total		31,815.29	29,172.89
Contingent Liabilities and Commitments	R		
Dividend Proposed	S		
Significant Accounting Policies and Other Notes on Financial Statements	T		

Notes A to T referred to above form an integral part of the Balance Sheet.

In terms of our Report of even date

For **S. S. KOTHARI & CO.**
Chartered Accountants
Registration No. 302034E

R. K. Roy Chaudhury
Partner
Membership No.008816

H. M. Gupta
Executive Chairman

C. S. Bedi
Managing Director

V. P. Agarwal
Director

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

Dr. S. S. Baijal
Director

H. M. Parekh
Director

N. Palchoudhuri
Director

Place: Delhi
Date: 30th May, 2016

Profit and Loss Statement for the year ended 31st March, 2016

₹ in lakhs

Particulars	Note No	Year ended 31st March, 2016	Year ended 31st March, 2015
I. Revenue from operations	1	16,110.08	14,038.82
II. Other Income	2	526.59	273.27
III. Total Revenue (I + II)		16,636.67	14,312.09
IV. Expenses			
Cost of materials consumed	3	1,020.36	706.61
Changes in inventories of finished goods, work-in- progress and Stock-in-Trade	4	(280.45)	(119.56)
Employee benefits expense	5	7,860.49	6,451.40
Finance costs	6	691.48	724.45
Depreciation and amortization expense	7	953.01	956.41
Activities on Corporate Social Responsibility		49.19	60.54
Other expenses	8	5,136.97	4,957.29
Total Expenses		15,431.05	13,737.14
V. Profit before exceptional items and tax (III - IV)		1,205.62	574.95
VI. Exceptional Items		—	—
VII. Profit before tax (V - VI)		1,205.62	574.95
VIII. Tax expense			
(1) Current tax			
- For Current Year		300.00	170.00
- For earlier Year		100.00	—
(2) Deferred tax adjustment		(151.84)	4.48
		248.16	174.48
IX. Profit for the period (VII - VIII)		957.46	400.47
X. Earning per equity share :			
(1) Basic	9	2.61	1.09
(2) Diluted		2.61	1.09
Additional Information	10		

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

In terms of our Report of even date

For **S. S. KOTHARI & CO.**
Chartered Accountants
Registration No. 302034E

R. K. Roy Chaudhury
Partner
Membership No.008816

H. M. Gupta
Executive Chairman

C. S. Bedi
Managing Director

V. P. Agarwal
Director

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

Dr. S. S. Baijal
Director

H. M. Parekh
Director

N. Palchoudhuri
Director

Place: Delhi
Date: 30th May, 2016



Cash Flow Statement for the year ended 31st March, 2016

₹ in lakhs

Particulars	2015-2016	2014-2015
A. Cash Flow from Operating Activities		
Profit before Tax	1,205.62	574.95
- Adjustment for :		
Depreciation	953.01	956.41
Finance Cost (Net of Provision)	542.85	580.91
Provision for Forex Loss on Swap Transactions	148.63	143.54
Loss on Disposal of Fixed Assets (Net)	54.50	21.64
Liabilities no more required written back (net)	(18.38)	(3.47)
Net Gain on sale of Investments	(383.45)	(198.57)
	1,297.16	1,500.46
	2,502.78	2,075.41
Items Considered in Investing Activity :		
Interest on Deposits etc.	(61.72)	(65.70)
Rent Received	—	(5.50)
Dividend	—	(0.02)
	(61.72)	(71.22)
Operating Profit before Working Capital Changes	2,441.06	2,004.19
-Adjustment for :		
Current Assets including Long Term Loans and Advances	(1,374.22)	(1,528.76)
Current Liabilities	616.11	147.31
	(758.11)	(1,381.45)
Cash Generated from Operations	1,682.95	622.74
Finance Cost (Net)	(542.85)	(580.91)
Forex Loss on Swap Transactions	(130.64)	(86.06)
Direct Taxes (Net of refund)	(275.77)	(188.06)
	(949.26)	(855.03)
Cash Flow before Extraordinary Items	733.69	(232.29)
Extraordinary Items	—	—
Net Cash Flow from Operating Activities	733.69	(232.29)
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets including Advances for Capital Assets	(2,539.04)	(1,562.67)
Sale of Fixed Assets (Including Subsidy received from Tea Board)	55.92	2.38
Purchase of Investments	(2,872.31)	(465.38)
Sale/ Redemption of Investments	3,532.20	2,608.57
Compensation received for acquisition of Land	0.11	—
Interest Received	61.72	65.70
Rent Received	—	5.50
Dividend Received	—	0.02
Net Cash Flow from Investing Activities	(1,761.40)	654.12

Cash Flow Statement for the year ended 31st March, 2016

₹ in lakhs

Particulars	2015-2016	2014-2015
C. Cash Flow from Financing Activities		
Intercompany Deposits Paid/ Refunded (Net)	(0.50)	—
Proceeds of Working Capital Loan from Bank (Net)	2,614.69	748.98
Repayment of Term Loan From Bank	(990.00)	(990.00)
Dividend Paid and Tax thereon	(441.00)	(214.66)
Net Cash Flow from Financing Activities	1,183.19	(455.68)
Net Increase in Cash and Cash Equivalents (A+B+C)	155.48	(33.85)
Cash and Cash Equivalents as at 31.03.2015		
(Opening Balance)	94.02	127.87
Cash and Cash Equivalents as at 31.03.2016		
(Closing Balance)	249.50	94.02

Note:

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

In terms of our Report of even date

For **S. S. KOTHARI & CO.**
Chartered Accountants
Registration No. 302034E

R. K. Roy Chaudhury
Partner
Membership No.008816

Place: Delhi
Date: 30th May, 2016

H. M. Gupta
Executive Chairman

C. S. Bedi
Managing Director

V. P. Agarwal
Director

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

Dr. S. S. Baijal
Director

H. M. Parekh
Director

N. Palchoudhuri
Director



Notes to the Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
A SHARE CAPITAL		
Authorized		
4,50,00,000 Equity Shares of ₹ 2 each	900.00	900.00
Issued, Subscribed and Paid Up		
3,66,96,475 Equity Shares of ₹ 2 each fully paid up	733.93	733.93

Remarks:

- a. All the above Equity Shares rank pari passu in all respect for voting rights and distribution of dividend as well as to receive the remaining assets of the Company in the event of liquidation after distribution of all preferential amounts.

Name of the Shareholder	No. of Equity Shares	No. of Equity Shares
b. Equity Shares held by the Holding Company, BMG Enterprises Ltd.	2,31,13,795	2,31,13,795
c. Equity Shares held by the Associate of Holding Company, Harvin Estates Pvt. Ltd.	4,71,045	4,71,045
BMG Investments Pvt. Ltd.	5,49,769	5,49,769

- d. Details of Shareholders holding more than 5% Shares

Name of the Shareholder	No. of Equity Shares and % of Holding	No. of Equity Shares and % of Holding
BMG Enterprises Ltd.	2,31,13,795 62.99	2,31,13,795 62.99
Elara India Opportunities Fund Ltd.	34,67,391 9.45	35,00,000 9.54
Harsh Mohan Gupta	18,53,785 5.05	18,53,785 5.05

- e. Reconciliation of Number of Shares

Equity Shares outstanding at the beginning of the year	3,66,96,475	3,66,96,475
Add : Equity Shares issued during the year	—	—
Equity Shares outstanding at the end of the year	3,66,96,475	3,66,96,475

B RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last Account	247.90	247.90
Add: Surface Compensation received in respect of Tea Estate's Land	0.11	—
	248.01	247.90
Securities Premium Account		
Balance as per last Account	2,609.55	2,609.55
Revaluation Reserve		
Balance as per last account	4,843.65	5,002.96
Less: Adjustment as per transitional provision of Schedule II to the Companies Act, 2013	—	159.31
	4,843.65	4,843.65
General Reserve		
Balance as per last Account	12,163.28	12,265.02
Add: Transfer from Profit and Loss Account	700.00	100.00
	12,863.28	12,365.02
Less: Adjustment as per transitional provision of Schedule II to the Companies Act, 2013 (Net of Tax Effect)	—	201.74
	12,863.28	12,163.28

Notes to the Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
B RESERVES AND SURPLUS (contd.)		
Surplus in Profit and Loss Account		
Balance as per last Account	450.36	370.06
Add: Transfer from Profit and Loss Account	957.46	400.47
	1,407.82	770.53
Less: Transfer to General Reserve	700.00	100.00
	707.82	670.53
Less : Interim Dividend on Equity Shares	183.48	—
Final Dividend on Equity Shares	—	183.48
Tax on Dividend	37.35	36.69
	486.99	450.36
	21,051.48	20,314.74
C LONG-TERM BORROWINGS		
Secured Loans		
Term Loans from Banks	1,207.50	2,197.50

Notes :

1. Current Maturities of these loans - ₹ 990 Lakhs (Note H)
2. These loans are secured on pari passu basis by hypothecation of Moveable Assets and Deposit of Title Deeds in respect of Namsang and Kharikatia Tea Estates. While the Equitable Mortgage on Namsang T.E. has been formalised, the same is awaited for Kharikatia T.E. of the Company pending receipt of statutory approvals/ completion of required legal formalities. (Note T.2)
3. These loans are repayable in equated quarterly installments up to a 6 year period from the date of respective disbursement and will be fully liquidated by the Financial Year 2018-2019.
4. The Company has entered into Cross Currency Swap Transactions and opted to swap these loans from Indian Rupees in to US Dollars. The Contracts for such transactions outstanding as on 31st March, 2016 are as under:

Currency	Cross Currency	Buy (USD in lakhs)	Sell (₹ in lakhs)
Indian Rupee	US Dollar	18.27	1,012.50
Indian Rupee	US Dollar	9.51	525.00
Indian Rupee	US Dollar	11.96	660.00
		39.74	2,197.50

In view of upward revision of Indian Rupees and U.S. Dollar Exchange Rates since entering in to the above transactions, the Company has provided for the likely loss on the above outstanding U.S. Dollar based on the year end exchange rates.

Total provision on this account as on 31st March, 2016 amounts to ₹ 438.55 lakhs. (Schedule E and I)

D DEFERRED TAX LIABILITY/ ASSET (NET)		
As per the Accounting Standard AS-22 – Accounting for taxes on Income, an amount of ₹ 175.84 lakhs was recognised as Deferred Tax Liability as on 31st March, 2015. During the year, a review with respect to the carrying amount of Deferred Tax Liability was done and the same was revised to ₹ 24.00 lakhs as on 31st March, 2016. Thus, an amount of ₹ 151.84 lakhs has been shown as Deferred Tax Adjustment in the Profit and Loss Statement for the year ended 31st March, 2016. The components of Deferred Tax Liability are as under:		
Deferred Tax Liability		
Depreciation as per Books and Tax Laws	24.00	175.84
	24.00	175.84



Notes to the Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
E LONG-TERM PROVISIONS		
Provision for Forex Loss on Swap Transactions	240.94	289.92
Provision for employee benefits	33.12	28.64
	274.06	318.56
F SHORT-TERM BORROWINGS		
Secured Loans		
Loans repayable on demand from Banks	4,456.43	2,341.74
Unsecured Loans		
Short Term Loan from Bank	500.00	—
	4,956.43	2,341.74
Remark : The loans repayable on demand from Banks are secured on pari passu basis by hypothecation of tea crops and moveable assets of all the Tea Estates of the Company. These are also collaterally secured on pari passu by Equitable Mortgages of Dikom Nokhroy, Bokakhat, Romai and Namsang Tea Estates and pending creation of Equitable Mortgage on Kharikatia T.E.		
G TRADE PAYABLES		
Sundry Creditors	596.24	377.68
Remark : The above includes dues, for less than 30 days, to a Small Enterprise within the meaning of Sec. 7(1)(ii) of Micro, Small and Medium Enterprises Development Act, 2006 - ₹ 13.69 lakhs (2015- ₹ 2.84 lakhs).		
H OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings (Note C)	990.00	990.00
Interest accrued but not due on borrowings	31.06	36.72
Advance from Customers	282.60	1.05
Unpaid Dividends*	17.85	11.47
Other Payables		
For Expenses etc.	1,205.44	1,054.97
Statutory Dues	110.19	105.36
Due to Gratuity Fund	99.64	162.52
	2,736.78	2,362.09
*Investor Education and Protection Fund shall be credited with the amount of Unpaid Dividends, when due.		
I SHORT-TERM PROVISIONS		
Provision for Forex Loss on Swap Transactions	197.61	130.64
Provision for Taxation (Net)	37.26	—
Proposed Dividend	—	183.48
Tax on Dividend	—	36.69
	234.87	350.81

Notes to the Balance Sheet

₹ in lakhs

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION/AMORTIZATION						NET BLOCK	
	Gross Carrying Amount as at the beginning of the year	Additions during the Year	Disposal / Adjust-ments during the Year	Gross Carrying Amount as at the end of the year	Accumulated depreciation at the beginning of the year	Deprecia-tion provided for the year	Transitional adjustment (+) with General/ Revaluation Reserve	Transitional adjustment (-) with General Reserve	On disposal during the Year	Accumulated depreciation at the end of the year	Net Carrying Amount as at the end of the year	Net Carrying Amount as at the beginning of the year
J. TANGIBLE ASSETS												
Land and Planted Teas	11,458.04	1,204.15	—	12,662.19	—	0.30	—	—	—	0.30	12,661.89	11,458.04
Leasehold Improvement	395.74	75.22	62.64	408.32	43.05	46.80	—	—	9.16	80.69	327.63	352.69
Buildings	4,497.03	300.79	—	4,797.82	937.00	179.26	—	—	—	1,116.26	3,681.56	3,560.03
Plant and Equipment	4,894.76	523.95	52.17	5,366.54	1,906.75	371.82	—	—	1.08	2,277.49	3,089.05	2,982.77
Furniture and Fixtures	821.04	73.78	1.02	893.80	236.74	84.42	—	—	0.32	320.84	572.96	584.29
Vehicles	1,021.14	65.89	18.80	1,068.23	445.20	132.95	—	—	16.60	561.55	506.68	575.95
Office Equipments	247.59	69.20	3.69	313.10	88.48	35.65	—	—	1.43	122.70	190.40	164.35
Computers	251.19	100.44	1.01	350.62	148.36	57.29	—	—	0.32	205.33	145.29	102.84
31st March, 2016	23,586.53	2,413.42	139.33	25,860.62	3,805.58	908.49	—	—	28.91	4,685.16	21,175.46	19,780.96
31st March, 2015	22,095.57	1,529.21	38.25	23,586.53	2,554.32	885.37	396.21	16.10	14.23	3,805.57		

INTANGIBLE ASSETS												
Computer Software	245.34	4.53	—	249.87	149.71	39.96	—	—	—	189.67	60.20	95.64
Branding and Trade mark	18.84	7.45	—	26.29	8.10	4.56	—	—	—	12.66	13.63	10.73
31st March, 2016	264.18	11.98	—	276.16	157.81	44.52	—	—	—	202.33	73.83	106.37
31st March, 2015	198.88	65.30	—	264.18	54.19	71.04	32.60	0.02	—	157.81		

Note: Disposal / Adjustment during the year under the head Plant and Equipment includes receipts from Tea Board of India towards Irrigation Subsidy against the items added in earlier years - ₹ 43.25 lakhs.



Notes to the Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
K NON-CURRENT INVESTMENT		
At Cost		
Trade Investments: Unquoted		
In Equity Instruments		
CAE Rossell India Limited (Subsidiary Company)		
50,000 (2015 -50,000) Equity Shares of ₹ 10 each fully paid up	5.00	5.00
50,000 (2015- 50,000) Equity Shares of ₹10 each fully paid up of Assam Hospitals Limited	5.00	5.00
361,007 (2015- 361,007) Equity Shares of Singapore\$ 1 each fully paid up of RV Enterprizes Pte. Ltd. (Joint Venture- Extent of Shareholding - 26%)	120.05	120.05
In Preference Shares		
34,45,725 (2015- 27,59,975) Non-Cumulative Redeemable Preference Shares of US Dollar 1 each fully paid up of RV Enterprizes Pte. Ltd. (Joint Venture- Extent of Shareholding - 26%)	1,891.44	1,454.13
Other Investments: Unquoted		
In Mutual Funds Units		
Face value ₹ 10 each		
16,55,934.388 (2015- 15,14,038.926) Units of ICICI Prudential Regular Savings Fund - Regular Plan- Growth	245.00	200.00
Nil (2015-10,00,000) Units ICICI Prudential FMP Series 73-391 Days Plan G Regular	—	100.00
Nil (2015-52,58,139.069) Units IDBI Debt Opportunities Fund Regular Plan - Growth	—	525.81
21,71,693.728 (2015-4,96,568.710) Units DSP Black Rock Income Opportunities Fund - Regular Plan	500.00	100.00
Nil (2015-10,00,000) Units SBI Debt Fund Series - A10-400 Days -Regular-Growth	—	100.00
Nil (2015-10,00,000) Units SBI Debt Fund Series - A11-385 Days - Regular-Growth	—	100.00
Nil (2015 - 6,384.218) Units Templeton India Short Term Income Retail Plan - Growth	—	164.00
Nil (2015-33,26,553.408) Units Templeton India Income Opportunities Fund - Growth	—	466.00
Nil (2015 - 2,43,470.131) Units Birla Sun Life Short Term Opportunities Fund - Growth	—	50.00
Nil (2015- 10,00,000) Units Birla Sun Life Fixed Term Plan - Series KP (405 days)	—	100.00
Nil (2015-10,00,000) Units Birla Sun Life Fixed Term Plan - Series KP (385 days)	—	100.00
Nil (2015-14,38,107.851) Units Birla Sun Life Medium Term Plan -Growth-Regular Plan	—	215.00
Nil (2015 - 10,00,000) Units Axis Fixed Term Plan - Series 59 Growth	—	100.00
Nil (2015-10,00,000) Units Axis Fixed Term Plan - Series 60 Growth	—	100.00
Nil (2015-20,00,000) Units HDFC Corporate Debt Opportunities Fund - Regular-Growth	—	200.00
Nil (2015-10,00,000) units HDFC FMP 400D March 2014(1) Series 29 - Regular - Growth	—	100.00
14,07,870.547 (2015 - Nil) units Canara Robeco Medium Term Opportunities Fund - Growth	160.00	—
35,84,245.142 (2015 - Nil) units BNP Paribas Medium term Income Fund Growth	410.00	—
12,74,249.252 (2015 - Nil) units Reliance Regular savings Fund - Debt Plan- Growth Plan Growth Option	250.00	—
27,99,266.278 (2015 - Nil) units L & T Income Opportunity Fund - Growth	450.00	—
In Bonds and Debentures		
2,175 (2015- 2,175) Tax Free, Secured, Redeemable Non-Convertible Bonds in the nature of Debentures of ₹1,000 each in Railway Finance Corporation Ltd.	21.75	21.75
20,000 (2015-20,000) Tax Free, Secured, Redeemable Non-Convertible Bonds of ₹ 1,000 each in Rural Electrification Corporation Ltd	200.00	200.00
6,333 (2015-6,333) Tax free, Secured, Redeemable, Non Convertible Bonds of ₹ 1,000 each in NTPC Ltd.	63.33	63.33
30,000 (2015-30,000) Tax free, Secured, Redeemable, Non-convertible Bonds of ₹1,000 each in National Highways Authority of India.	300.00	300.00

Notes to the Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
K NON-CURRENT INVESTMENT (Contd.)		
Other Investments: Quoted In Equity Instruments		
Fully Paid Equity Shares of ₹ 10 each		
Nil (2015-552) Gujarat Narmada Fertilizer Ltd.	—	0.83
Nil (2015- 50) Future Market Networks Ltd.	—	—
Fully Paid Equity Shares of ₹ 5 each		
Nil (2015-2,138) Network 18 Media & Investments Ltd.	—	7.11
	4,621.57	4,898.01
Aggregate Amount of Quoted Investments	—	7.94
Aggregate Amount of Unquoted Investments	4,621.57	4,890.07
	4,621.57	4,898.01
Market Value of Quoted Investments	—	1.45
L LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Loans and Advances to Related Parties		
Subsidiary Company	5.00	4.50
Capital Advances	33.78	18.89
Advance due by an Officer (KMP)	—	1.88
Security Deposits	436.02	321.90
Other Deposits	0.43	3.78
Deposit with Assam Financial Corporation	271.33	352.44
	746.56	703.39
M INVENTORIES		
Stock of Finished Goods/ Stock-in-Trade at lower of cost and net realizable value*	528.99	245.23
Stock of Stores and Spares at or under cost	406.39	377.71
Stock of Raw Materials at cost	910.29	283.55
Work-in-progress at works cost	63.89	67.20
	1,909.56	973.69
* Includes Stock-in-transit valued at ₹ 97.85 lakhs (2015 - ₹ 41.37 Lakhs)		
N TRADE RECEIVABLES		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	110.99	24.80
Other Debts	1,914.41	1,730.44
	2,025.40	1,755.24
O CASH AND CASH EQUIVALENTS		
Balances with Banks	193.48	56.06
Bank Deposits for less than 12 months maturity		
- Under Lien with Central Excise Authority for Clean Energy Cess on Coal Purchases	8.63	8.09
- Under Lien with States' VAT authorities as Security Deposit	3.25	3.25
Unpaid Dividend Accounts	17.85	11.47
Cash in Hand	26.29	15.15
	249.50	94.02



Notes to the Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
P SHORT-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Advance due by an Officer (KMP)	1.88	3.75
Other Loans and Advances		
Advances recoverable in Cash or in Kind or for value to be received	347.38	296.09
Advance Income Tax (Net)	—	86.97
	349.26	386.81
Q OTHER CURRENT ASSETS		
Interest Accrued on Deposits		
Subsidiary Company	0.05	—
Others	20.04	22.68
Other Receivables	423.22	329.64
	443.31	352.32
R CONTINGENT LIABILITIES AND COMMITMENTS		
(i) Estimated amount of Contingent Liabilities not provided for :		
a. Claims against the Company not acknowledged as Debt		
Income Tax	2.94	182.37
Clean Energy Cess	7.19	7.19
Interest on PF arrears for pre-acquisition period in respect of Kharikatia T.E.	75.43	75.43
b. Guarantees		
Bank Guarantees outstanding	128.27	62.27
(ii) Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance)	111.21	118.17
S DIVIDEND PROPOSED		
Amount of Dividend proposed to be distributed to Equity Shareholders for the Financial Year 2015-2016		
Interim Dividend paid	183.48	—
Final Dividend recommended	—	183.48
Total Dividend per Equity Share of ₹ 2 each		
Interim Dividend	₹ 0.50	—
Final Dividend	—	₹ 0.50
% of Dividend proposed		
Interim Dividend	25.00	—
Final Dividend	—	25.00

H. M. Gupta
Executive Chairman

C. S. Bedi
Managing Director

V. P. Agarwal
Director

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

Dr. S. S. Baijal
Director

H. M. Parekh
Director

N. Palchoudhuri
Director

Place: Delhi
Date: 30th May, 2016

Notes to the Profit and Loss Statement

₹ in lakhs

Particulars	2015-2016	2014-2015
1 REVENUE FROM OPERATIONS		
(a) Sale of Products		
Black Tea	11,767.01	10,890.51
Black Pepper	4.35	—
Avionics, Aviation and Electronic Equipments	1,303.23	595.93
Food and Beverage	1,150.85	876.08
	14,225.44	12,362.52
(b) Sale of Services		
Receipts for Technical and Support Services	1,530.89	1,313.02
(c) Other Operating Revenues		
Subsidy - Replanting	55.40	26.76
Tea Board Orthodox Subsidy Scheme	79.51	80.58
Sale of Duty Credit Entitlements License	161.60	192.67
Duty Drawback	42.05	41.12
Refund of Service Tax	4.31	—
Sundry Receipts	8.52	33.29
Prior Period Income (Net)	6.56	—
	357.95	374.42
Total	16,114.28	14,049.96
Less: Excise Duty	4.20	11.14
	16,110.08	14,038.82
2 OTHER INCOME		
Interest Income	61.72	65.71
Dividend Income	—	0.02
Rent Received	—	5.50
Net gain on Sale of Investments	383.45	198.57
Net gain on Foreign Currency transactions/ translation	63.04	—
Liabilities written back	18.38	3.47
	526.59	273.27
3 COST OF MATERIALS CONSUMED		
Purchase of Green Leaf	95.28	45.26
Consumption of Raw Materials	925.08	661.35
	1,020.36	706.61
4 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock of Finished Goods/Stock-in-Trade	245.23	168.13
Less: Closing Stock of Finished Goods/Stock-in-Trade	528.99	245.23
	(283.76)	(77.10)
Opening Stock of Work-in-Progress	67.20	24.74
Less: Closing Stock of Work-in-Progress	63.89	67.20
	3.31	(42.46)
	(280.45)	(119.56)
5 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	6,402.29	5,103.12
Contribution to Provident and other Funds	836.63	835.10
Workmen and Staff Welfare	621.57	513.18
	7,860.49	6,451.40



Notes to the Profit and Loss Statement

₹ in lakhs

Particulars	2015-2016	2014-2015
6 FINANCE COST		
(a) Interest		
Banks	495.06	490.79
(b) Other Borrowing Costs	1.84	2.48
(c) Applicable Net Loss on Foreign Currency Transactions		
- Forex Loss on Currency SWAP Transactions (Net)*	325.22	252.00
- Forex loss on Other transactions (Net)	—	65.25
	822.12	810.52
Less: Provision for Forex Loss on Currency Swap Transactions written back	130.64	86.07
	691.48	724.45
*Forex Loss on SWAP Transactions includes provision made as at 31st March, 2016 - ₹ 148.63 Lakhs (2014-2015 - ₹ 143.54 lakhs)		
7 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation/ Amortization	953.01	956.41
	953.01	956.41
8 OTHER EXPENSES		
Consumption of Stores, Tools and Spare Parts	910.09	1,000.85
Power and Fuel	1,055.62	1,012.47
Cess on Green Leaf	87.63	84.79
Tea Cess	25.72	24.77
Rent	561.69	486.43
Rates and Taxes	37.00	41.22
Repairs to Building	145.55	130.93
Repairs to Machinery	217.06	218.59
Other Repairs and Maintenance	209.99	169.75
Vehicles Maintenance	136.35	125.55
Transportation	235.87	238.71
Shipment Charges	65.39	84.34
Warehousing and Selling Expenses	193.97	221.01
Post Sales Warranty Expenses	8.46	1.54
Brokerage	80.61	72.28
Commission on Sales	94.32	97.01
Insurance	76.35	65.09
Directors' Fee & Commission	18.17	11.40
Auditors' Remuneration	7.16	6.73
Traveling and Conveyance	255.24	199.54
Miscellaneous Expenses (Note Below)	660.23	642.65
Loss on Disposal of Fixed Asset (Net)	54.50	21.64
	5,136.97	4,957.29
Note: Includes Contribution to Assam Pradesh Congress Committee, a Political Party within the meaning of Sec. 182 (2) of the Companies Act, 2013 - ₹ 12.50 lakhs (In 2014-2015 - ₹ 11.00).		
9. EARNINGS PER EQUITY SHARE		
Basic and Diluted as computed as per Accounting Standard AS-20		
PROFIT AFTER TAXATION	957.46	400.47
Weighted average number of Equity Shares outstanding	366.96	366.96
Earnings per Equity Share of ₹ 2 each (₹)	2.61	1.09

Notes to the Profit and Loss Statement

₹ in lakhs

Particulars	2015-2016	2014-2015
10. ADDITIONAL INFORMATION		
(a) Auditors' Remuneration		
As Auditor	4.02	4.00
For Other Services		
Tax Audit Fee	0.50	0.40
Certification Job	2.43	2.16
Re-imbursement of Expenses	0.21	0.17
	7.16	6.73
(b) Audit Fee paid/payable to M/s Shome & Banerjee, Cost		
Accountants included in Miscellaneous Expenses	1.00	1.00
Due date of filing of Cost Audit Report	30/09/2015	27/09/2014
Date of Uploading of Cost Audit Report with MCA	19/11/2015	25/09/2014
(c) Stores and Spares Consumed and debited to various heads of Account in the Profit and Loss Account (Indigenous)	1,634.41	1,705.69
(d) Earnings in Foreign Currency		
F.O.B. Value of Export Sales	5,458.74	4,569.90
Receipts for Technical and Support Services	1,518.39	1,310.77
(e) Expenditure in Foreign Currency		
Foreign Travel	34.53	23.03
Commission on Sales	94.27	85.73
Subscription	—	1.03
Tea Samples Analysis Fee	5.30	2.52
Consultancy Fee (Net of TDS and Service Tax)	10.35	19.38
(f) Value of Imports calculated on C.I.F. Basis :		
Raw Materials	1,000.99	328.50
Stores and Spares	26.85	29.39
Capital Goods	130.84	62.90
(g) Consumption of Raw Materials		
Imported		
Value	412.51	270.14
% of total consumption	44.59	40.85
Indigenous		
Value	512.57	391.21
% of total consumption	55.41	59.15
(h) Consumption of Stores and Spares		
Imported		
Value	25.71	33.14
% of total consumption	1.57	1.94
Indigenous		
Value	1,608.69	1,672.55
% of total consumption	98.43	98.06

H. M. Gupta
Executive Chairman

C. S. Bedi
Managing Director

V. P. Agarwal
Director

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

Dr. S. S. Bajjal
Director

H. M. Parekh
Director

N. Palchoudhuri
Director

Place: Delhi
Date: 30th May, 2016



Notes to the Balance Sheet

T Significant Accounting Policies and Other Notes to the Financial Statement for the Year ended 31st March, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

The financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended and the relevant provisions of the Companies Act, 2013. The significant accounting policies adopted are applied consistently.

1.2 Basis of Accounting

The financial statements have been prepared in accordance with historical cost concept, save and except certain items of Fixed Assets, which were revalued as on 31st March, 2008 (Note 1.3 below).

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.

1.3 Fixed Assets

Fixed Assets, both tangible and intangible, are stated at cost of acquisition, net of subsidy received, where applicable together with resultant write up due to revaluation.

Depreciation on Fixed Assets has been provided on straight line method at rates ascertained based on useful life of each of such assets and residual value as provided in schedule II to the Companies Act, 2013.

Certain items of Fixed Assets (Buildings and Plant and Machinery) revalued as on 31st March, 2008 have been depreciated based on Book Value in terms of the Application Guide on the Provisions of Schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India during February, 2015.

Cost of fixed asset includes purchase price and any expense directly attributable for bringing the asset to the working condition for intended use.

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

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

Expenses incurred for development of Brand and Trademark are capitalized and amortized as per the Accounting Standard AS-26, Intangible Assets.

Computer Software is capitalized where it is expected to provide future enduring economic benefit. The capitalization costs include license fee and cost of implementation and system integration services. The cost of such Software is also amortized as per the Accounting Standard AS- 26, Intangible Assets.

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

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

Compensation received from the authorities concerned for acquisition of small pieces and parcels of Land including surface compensation in the Tea Estates is recognized in the year of receipt. Such Compensation is directly credited to Capital Reserve, as the cost attributable to such Land can not be ascertained.

Subsidy received from Government or any statutory authority in respect of any item of fixed assets is deducted from cost of respective assets on receipt/ settlement.

1.4 Foreign Currency Transaction

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

The loss attributable to adverse Foreign Exchange fluctuation on the outstanding portfolio of Currency Swap at year end is being provided for based on year-end exchange rate and recognized in the Profit and Loss Statement.

1.5 Investments

Investments are stated at cost of acquisition and treated as long term investments. Provision is made in case of permanent diminution in value of Investments.

Cost includes purchase price plus brokerage and transfer cost.

Notes to the Balance Sheet

T Significant Accounting Policies and Other Notes to the Financial Statement for the Year ended 31st March, 2016

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

1.6 Inventories

Stock of Finished Goods is valued at lower of cost computed on periodical average basis and net realisable value and that of stores and spares is valued at or under cost.

Stock of Raw Materials and Work-in-progress has been valued at respective cost.

Provision for obsolete and slow moving stores is made, wherever necessary and reviewed from time to time.

1.7 Staff Benefits

- a) The Company is contributing regularly to the Provident Funds, administered by the Governments and independent of Company's finances, in respect of all its eligible employees. The Company also operates Defined Contribution Scheme for payment of Pension to certain classes of employees. Monthly contribution at 15% of the employees' current salary is made to recognized Superannuation Fund, which is fully funded. This Fund is administered by Trustees and is independent of Company's finance. Contributions are recognized in Profit and Loss Statement on an accrual basis.
- b) Defined Benefit Gratuity Plan is also maintained by the Company. The Company contributes to the recognized Gratuity Fund, which is administered by the Trustees and is independent of Company's finance. The Annual Contribution is determined by the actuary at the end of the year. Actuarial gains and losses are recognized in the Profit and Loss Statement. The Company also recognizes in the Profit and Loss Statement gains or losses on curtailment or settlement of the defined benefit plan as and when the curtailment or settlement occurs.
- c) Leave encashment liability for certain eligible employees, as determined on the basis of an actuarial valuation, is provided for at the end of each year, except where the same is actually ascertained and paid/provided for and charge is recognized in the Profit and Loss Statement. Such liability is not funded and being paid by the Company as and when required.

1.8 Borrowing Cost

Borrowing cost is recognized as an expense to the extent, the same has been incurred for the year, unless such cost is directly attributable to the acquisition, construction or production of a qualifying asset and capitalised as part of the cost of that asset as prescribed by Accounting Standard-16, Borrowing Costs. Subsidy receivable on this account is adjusted with expense for the year, in which the claim of the Company for such subsidy gets admitted.

The loss attributable to adverse Foreign Exchange fluctuation paid at the time of repayment of principal as well as provision made for such loss on the outstanding portfolio of Currency Swap at year end (Note 1.4 above) is also being considered as borrowing cost and shown accordingly in the Profit and Loss Statement under the head "Finance Cost".

1.9 Revenue Recognition

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

1.10 Sales

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

Sale of Services represents the invoice value of services rendered as per the agreed terms, net of Service Tax.

1.11 Replanting and Other Subsidies

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

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

1.12 Dividend Income

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

1.13 Taxes on Income

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



Notes to the Balance Sheet

T Significant Accounting Policies and Other Notes to the Financial Statement for the Year ended 31st March, 2016

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

1.14 Excise Duty and Tea Cess

Excise duty and Tea Cess, as applicable on manufactured goods is accounted for at the time of clearance. However, provision is made at the year-end on finished goods lying in stock at factory.

1.15 Provision

A provision is recognized when there is an obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

2. The Conveyance Deeds in the name of the Company for Kharikatia T.E., District Jorhat, Assam is yet to be executed, as the required Sale and Purchase permission from the Office of the Deputy Commissioner, Jorhat, Assam is yet to be obtained.

3. DETAILS OF EXPENSES ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

₹ in lakhs

- a) Gross amount required to be spent by the company during the year : ₹ 49.00
b) Amount spent during the year as detailed hereunder :

	In cash/ Bank Payment	Total
(i) Construction/ Acquisition of any asset		
1) Renovation of Junior College Building in the neighborhood of Nagrijuli T.E.	8.05	8.05
2) Girls' Toilet at Barguli High School in the neighborhood of Nokhroy T.E.	3.57	3.57
3) Girls' Toilet at Chachaji High School in the neighborhood of Dikom T.E.	3.59	3.59
(ii) On purposes other than (i) above		
1) Mobile Creches, Delhi Community based creches at urban slum	13.67	13.67
2) BMG Foundation for promoting Preventive Health Care	12.00	12.00
3) CRY with Bal Sakha, Dibrugarh Unit, Assam for Overall development of Children (basic nutritional food with regular health checkups, improvement in educational institutions, free educational materials, sports and cultural activities, Pre natal and post care)	7.00	7.00
4) Bharat Blind School Shahdara, 510-A, Circular Road, Shahdara – 110 032, Delhi for Supporting blind students by contributing towards food and education.	0.48	0.48
5) The Society for Welfare of Differently Abled Persons (Physically Handicapped) Education and Research Centre at Pune area for extending support towards education of differently abled children.	0.60	0.60
Total Direct Expenses	48.96	48.96
Add : Indirect Expenses		
Service Tax deposited under Reverse Charge Mechanism	0.23	0.23
Total expenses incurred during the year	49.19	49.19

All the above expenses were paid in full during the year ended 31st March, 2016 and there was no unpaid balance on this account as on 31.03.2016.

Notes to the Balance Sheet

T Significant Accounting Policies and Other Notes to the Financial Statement for the Year ended 31st March, 2016

4. SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2016 :

1. **Business Segments :** In terms of AS-17, Segment Reporting, the Company has following Business Segments as Primary Segment for disclosure.

- A. Cultivation, Manufacture and Sale of Tea
- B. Aviation, Products and Services
- C. Hospitality

₹ in lakhs

	2015-2016	2014-2015
2. Revenue		
A. Cultivation, Manufacture and Sale of Tea	12,125.08	11,262.78
B. Aviation, Products and Services	2,832.48	1,897.85
C. Hospitality	1,155.62	878.19
	16,113.18	14,038.82
3. Results		
A. Cultivation, Manufacture and Sale of Tea	2,071.61	1,929.24
B. Aviation, Products and Services	508.07	76.31
C. Hospitality	(1,065.69)	(958.30)
	1,513.99	1,047.25
Less: i) Interest Net of Subsidy	496.90	493.27
ii) Exchange Loss on currency Swap Transactions	194.58	165.94
iii) Unallocated expenses, net of un allocated Income	(383.11)	(186.92)
	1,205.62	574.96
4. Segment Assets		
A. Cultivation, Manufacture and Sale of Tea	20,955.96	20,283.90
B. Aviation, Products and Services	4,559.30	2,396.14
C. Hospitality	1,303.81	1,253.77
D. Unallocated	4,996.22	5,239.07
	31,815.29	29,172.88
5. Segment Liabilities		
A. Cultivation, Manufacture and Sale of Tea	9,278.80	7,353.10
B. Aviation, Products and Services	494.50	102.30
C. Hospitality	50.52	73.51
D. Unallocated	206.06	595.31
	10,029.88	8,124.22
6. Capital Expenditure		
A. Cultivation, Manufacture and Sale of Tea	821.68	805.63
B. Aviation, Products and Services	1,427.85	161.93
C. Hospitality	167.81	471.29
D. Unallocated	8.06	155.65
	2,425.40	1,594.50
7. Depreciation (Net of Adjustment with Revaluation Reserve)		
A. Cultivation, Manufacture and Sale of Tea	624.87	636.19
B. Aviation, Products and Services	193.43	201.47
C. Hospitality	134.71	118.75
	953.01	956.41



Notes to the Balance Sheet

T Significant Accounting Policies and Other Notes to the Financial Statement for the Year ended 31st March, 2016

5. RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED ON 31ST MARCH 2016

The following are the Related Party Transactions undertaken by the Company during the year ended 31st March 2016, in terms of AS-18, Related Party Disclosures issued by the Institute of Chartered Accountants of India:

Name of the Related Party and nature of relationship:

Enterprises where Control Exists	- CAE Rossell India Ltd. Subsidiary Company (Fully Owned)
Key Management Personnel	- Mr.H.M.Gupta,Executive Chairman Mr.C.S.Bedi, Managing Director Mr. N K Khurana, Chief Financial Officer -cum-Company Secretary
Relatives of Key Managerial Personnel	- Mr. R M Gupta Mrs. Vinita Gupta Ms. Samara Gupta Mrs. Sonia Bedi
Holding Company	- BMG Enterprises Ltd.
Enterprises over which the Key Management Personnel or their relatives have significant influence	- BMG Investments Private Ltd - Harvin Estates Private Ltd - BMG Foundation
Associate Company	- R V Enterprizes Pte. Ltd, Singapore (Joint Venture)

Particulars of transactions for year ended 31st March 2016 :

₹ in lakhs

Nature of Transactions	Financial Year	
	2015-2016	2014-2015
With Enterprises where Control Exists		
1. Inter Corporate Deposit - Given	5.45	—
2. Inter Corporate Deposit - Refund	4.95	—
3. Interest Received on Inter Corporate Deposit - Given	0.06	—
Key Managerial Personnel and relatives		
1. Rent for Residential Accommodation	8.40	8.40
2. Remuneration Paid	205.37	126.93
3. Remuneration Paid to Relative	97.59	71.18
4. Interest Free Advance Refunded	3.75	3.75
Enterprises where significant influence is exercisable		
1. Rent paid for Office Space	6.00	6.00
2. Rent for Residential Accommodation	6.00	6.00
3. Contribution made for charitable purpose (Included in CSR Activities)	12.00	12.00
Associate Company		
1. Purchase of Preference Share	437.31	465.38

- 6.1 The Company has only one subsidiary company as on 31st March, 2016, namely, CAE Rossell India Limited (Extent of interest – 100%).
- 6.2 The Company also has a Joint Venture (Extent of interest -26%) at Singapore, namely RV Enterprizes Pte. Ltd., Singapore. In terms of Sec. 183 (3) of the Companies Act, 2013 read with AS-27, Financial Reporting of Interests in Joint Ventures, Financial Statement of the Joint Venture has also been included in the Consolidated Financial Statement of the Group.

Notes to the Balance Sheet

T Significant Accounting Policies and Other Notes to the Financial Statement for the Year ended 31st March, 2016

- 6.3 The required information in Form AOC I – Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures as on 31st March, 2016 :

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture

Part "A": Subsidiaries

₹ in lakhs

1. Sl. No.	1
2. Name of the Subsidiary	CAE Rossell India Limited Wholly Owned Subsidiary
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31st March, 2016
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees
5. Share Capital	5.00
6. Reserves and Surplus	(9.93)
7. Total Assets	0.65
8. Total Liabilities	5.58
9. Investments	-
10. Turnover	-
11. Profit before Taxation	(1.27)
12. Provision for Taxation	-
13. Profit after Taxation	(1.27)
14. Proposed Dividend	Nil
15. % of shareholding	100%

- Names of subsidiaries which are yet to commence operations
- The above subsidiary is yet to commence any operations.
- Names of subsidiaries which have been liquidated or sold during the year- None

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ in lakhs

Name of Associates/Joint Ventures	R. V. Enterprizes Pte. Ltd., Singapore
1. Latest audited Balance Sheet Date	31st March, 2016
2. Shares of Associate/Joint Ventures held by the company on the year end	26%
No.	3,61,007 Equity Shares of Singapore \$ 1 each 34,44,725 Preference Shares of US Dollar 1 each
Amount of Investment in Associates/Joint Venture	2,011.49
Extend of Holding %	26%
3. Description of how there is significant influence	Since the holding is more than 20% of total Share Capital, as per explanation to Sec. 2 (6) of the Companies Act, 2013, this Company is an Associate Company.
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	2,391.44 (USD 3.605 Million converted at year end exchange rate of ₹ 66.33)
6. Profit / Loss for the year	(2.53)(Loss After Tax) (USD 0.00381 Million converted at year end exchange rate of ₹ 66.33)
i. Considered in Consolidation	Yes
ii. Not Considered in Consolidation	Not Applicable

- Names of associates or joint ventures, which are yet to commence operations
- Not Applicable
- Names of associates or joint ventures, which have been liquidated or sold during the year
- Not Applicable



Notes to the Balance Sheet

T Significant Accounting Policies and Other Notes to the Financial Statement for the Year ended 31st March, 2016

7. Defined Benefits Plans

In compliance with AS-15, Employee Benefits, an Actuarial Valuations were carried out in respect of Defined Benefit Schemes namely Gratuity and Leave Encashment as on 31st March, 2016. Thus, the amount recognised in the financial statements in respect of these Schemes as per Actuarial Valuation as on 31st March, 2016 are as under:

₹ in lakhs

Particular	Gratuity - Funded		Leave Encashment - Non Funded	
	2015-2016	2014-2015	2015-2016	2014-2015
I Components of Employer Expense				
1. Current Service Cost	105.02	77.02	7.02	7.75
2. Interest Cost	117.45	101.19	2.00	1.83
3. Expected Return on Plan Assets	(111.87)	(100.69)	—	—
4. Curtailment Cost/(Credit)	—	—	—	—
5. Settlement Cost/(Credit)	—	—	—	—
6. Past Service Cost	—	—	—	—
7. Actuarial Losses/(Gains)	88.97	227.76	1.66	(2.57)
8. Total expense to be recognised in the Statement of Profit and Loss Account	199.57	305.28	10.68	7.01
9. Total expense actually recognised in the Statement of Profit and Loss Account	199.38	306.05	10.68	7.01

The Gratuity Expenses have been recognised in "Contribution to Provident and Other Funds" and Leave Encashment in "Salaries, Wages and Bonus" in Note 5 to the Profit and Loss Statement.

II Net Asset/(Liability) recognised in Balance Sheet				
1. Present Value of Defined Benefit Obligation	1,742.22	1,544.36	33.12	27.53
2. Fair Value on Plan Assets	1,742.36	1,491.35	—	—
3. Status [Surplus/(Deficit)]	0.14	(53.01)	(33.12)	(27.53)
4. Unrecognised Past Service Cost	—	—	—	—
5. Net Asset/(Liability) to be recognized in Balance Sheet	0.14	(53.01)	(33.12)	(27.53)
6. Net Asset/(Liability) actually recognized in Balance Sheet	—	(52.83)	(33.12)	(28.64)
III Change in Defined Benefit Obligations (DBO)				
1. Present Value of DBO at the Beginning of the Year	1,544.36	1,253.72	27.53	22.49
2. Current Service Cost	105.02	77.02	7.02	7.75
3. Interest Cost	117.45	101.19	2.00	1.83
4. Curtailment Cost/(Credit)	—	—	—	—
5. Settlement Cost/(Credit)	—	—	—	—
6. Plan Amendments	—	—	—	—
7. Acquisitions	—	—	—	—
8. Actuarial (Gains)/Losses	127.90	238.86	1.67	(2.57)
9. Benefits Paid	(152.51)	(126.43)	(5.10)	(1.97)
10. Present Value of DBO at the End of the Year	1,742.22	1,544.36	33.12	27.53

Notes to the Balance Sheet

T Significant Accounting Policies and Other Notes to the Financial Statement for the Year ended 31st March, 2016

Particular	Gratuity - Funded		Leave Encashment - Non Funded	
	2015-2016	2014-2015	2015-2016	2014-2015
IV Change in Fair Value of Assets				
1. Plan Assets at the Beginning of the Year	1,491.35	1,147.11	—	—
2. Acquisition Adjustment	—	—	—	—
3. Expected Return on Plan Assets	111.87	100.69	—	—
4. Actuarial Gains/(Losses)	38.93	11.09	—	—
5. Actual Company Contribution Received/ Receivable	252.72	358.89	—	—
6. Benefits Paid	(152.51)	(126.43)	—	—
7. Plan Assets at the End of the Year	1,742.36	1,491.35	—	—
V Principal Actuarial Assumptions used (common for all valuations)				
1. Discount Rate (%)	7.90	8.00	7.90	8.50
2. Expected Return on Plan Assets (%)	7.50	7.50	—	—
3. Expected Salary increase rates	5.00	5.00	5.00	5.00
4. Mortality rates	Indian Assured Lives Mortality (2006—08) (modified) Ult	Indian Assured Lives Mortality (2006—08) (modified) Ult	Indian Assured Lives Mortality (2006—08) (modified) Ult	Indian Assured Lives Mortality (2006—08) (modified) Ult
VI Major Category of Plan Assets as a % of the Total Plan Assets				
1. Government Securities (Central & State Govt.)	47.09	44.11		
2. PSU Bonds	23.63	22.87		
3. Insurance Companies/ Banks/ Mutual Funds	20.86	21.47		
4. Cash and Cash Equivalents	8.42	11.55		
VII Basis used to determine the Expected Rate of Return on Plan Assets				
The expected rate of return on plan assets is based on the actuarial expectation of the average long term rate of return expected on investment of the fund with the Trustees, assuming that these are generally held to maturity, along with the estimated incremental investments to be made during the year.				

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

In terms of our Report of even date

For **S. S. KOTHARI & CO.**
Chartered Accountants
Registration No. 302034E

R. K. Roy Chaudhury
Partner
Membership No.008816

H. M. Gupta
Executive Chairman

C. S. Bedi
Managing Director

V. P. Agarwal
Director

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

Dr. S. S. Baijal
Director

H. M. Parekh
Director

N. Palchoudhuri
Director

Place: Delhi
Date: 30th May, 2016



Independent Auditors' Report on Consolidated Financial Statements

To the Members of
Rossell India Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying Consolidated Financial Statements of Rossell India Limited (the "Company"), its Subsidiary, CAE Rossell India Limited and Joint Venture, R. V. Enterprizes Pte. Ltd., Singapore (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. Management is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance and Consolidated Cash Flow of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Management of the Company, its Subsidiary and its Joint Venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the respective assets of the Company and its Subsidiary and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Management.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our examination in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the examination to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of the material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, we considered the internal financial control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor referred to in the Other Matter below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

BASIS OF QUALIFICATION

The auditors of the Joint Venture reported that "Management has evaluated the impairment assessment of loans to subsidiary of Joint Venture with a carrying value of ₹ 2,371.11 lakhs (Group Share of Joint Venture – 26%) as at 31st March, 2016 taking into account the business plan and cash flow projections of the said subsidiary. We have taken note of management's position but because we have not been able to verify independently management's evaluation of the impairment assessment, we were unable to determine whether any adjustments to the carrying value of the loans to subsidiary of Joint Venture as at year end would be necessary".

Independent Auditors' Report on Consolidated Financial Statements

OPINION

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the Financial Statements of the Subsidiary and Joint Venture as noted below, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, except stated above under the head Basis of Qualification:
 - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2016.
 - b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
 - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

OTHER MATTERS

6. Financial Statement of Subsidiary, CAE Rossell India Limited and Joint Venture, which reflect total assets (net) of ₹ 2,393.14 lakhs as at March 31, 2016, total revenue of ₹ 0.06 lakhs, total expenditure of ₹ 3.83 lakhs and net cash flows amounting to ₹ 16.18 lakhs for the year then ended, have been audited by other auditors whose report has been furnished to us and our opinion in terms of Sub Section (3) and (11) of Section 143 of the Act in so far its reports to aforesaid Subsidiary and Joint Venture is based solely on the report of the other auditors.

Our opinion on the Consolidated Financial Statement and other report on other legal and regulatory requirements below are not qualified in respect of above matter.

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

R. K. Roy Chaudhury
Partner
Membership No. 008816

Place : Camp Delhi
Date : 30th May, 2016

Report on Other Legal and Regulatory Requirements

1. Based on the Auditors' Report on the Financial Statement of the Joint Venture, we confirm that "in the opinion of their auditors the accounting and other records required by the Companies Act, 50 to be kept by the Company had been properly kept in accordance with the provisions of that Act."
2. As required by section 143(3) of the Act, we report, to the extent applicable, that :
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our examination of the Consolidated Financial Statements;
 - b. In our opinion, proper books of account as required by law relating to the preparation of the Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
 - d. In our opinion, the Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the Directors of the Company as on March 31, 2016, taken on record by the Board of Directors of the Company and the reports of the auditors of its Subsidiary Company incorporated in India, none of the Directors of the Company and its Subsidiary, incorporated in India, is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate report in Annexure A;



Independent Auditors' Report on Consolidated Financial Statements

- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i) The Group has disclosed the impact of pending litigations on the Consolidated Financial position of the Group in its Consolidated Financial Statements as of March 31, 2016. Refer Note R in Notes to the Balance Sheet.
 - ii) The Group has made provisions in its Consolidated Financial Statements, as required under the applicable law or Accounting Standards for material foreseeable losses on long term / derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its Subsidiary Company incorporated in India.

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

R. K. Roy Chaudhury

Partner

Membership No. 008816

Place : Camp Delhi
Date : 30th May, 2016

Annexure – A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Rossell India Limited ("the Company"), its Subsidiary, CAE Rossell India Limited and Joint Venture, R. V. Enterprizes Pte. Ltd., Singapore (collectively referred to as "the Group") in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended 31st March, 2016.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Management of Holding and its Subsidiary Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls system over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Independent Auditors' Report on Consolidated Financial Statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the Subsidiary Company, is based on the corresponding reports of the auditors of such companies. Our opinion is not qualified in respect of this matter.

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

R. K. Roy Chaudhury
Partner
Membership No. 008816

Place : Camp Delhi
Date : 30th May, 2016



Statutory Reports

Standalone Financials

Consolidated Financials

Consolidated Balance Sheet as at 31st March, 2016

₹ in lakhs

Particulars	Note No	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A	733.93	733.93
(b) Reserves and Surplus	B	21,421.48	20,561.65
		22,155.41	21,295.58
(2) Non-Current Liabilities			
(a) Long-term borrowings	C	1,207.50	2,197.50
(b) Deferred tax liability (Net)	D	24.00	175.84
(c) Long-term provisions	E	274.06	318.56
		1,505.56	2,691.90
(3) Current Liabilities			
(a) Short-term borrowings	F	4,956.43	2,341.74
(b) Trade payables	G	596.24	377.68
(c) Other current liabilities	H	2,738.40	2,363.16
(d) Short-term provisions	I	234.85	350.81
		8,525.92	5,433.39
Total		32,186.89	29,420.87
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	J	21,175.46	19,780.96
(ii) Intangible assets	J	73.83	106.37
(iii) Capital work-in-progress		220.84	122.08
(b) Non-current investments	K	2,605.08	3,318.83
(c) Long-term loans and advances	L	2,963.36	1,478.39
		27,038.57	24,806.63
(2) Current assets			
(a) Inventories	M	1,909.56	973.69
(b) Trade receivables	N	2,025.40	1,755.24
(c) Cash and cash equivalents	O	271.53	99.87
(d) Short-term loans and advances	P	349.26	1,275.82
(e) Other current assets	Q	592.57	509.62
		5,148.32	4,614.24
Total		32,186.89	29,420.87
Contingent Liabilities and Commitments	R		
Dividend Proposed	S		
Significant Accounting Policies and Other Notes on Consolidated Financial Statements	T		

Notes A to T referred to above form an integral part of the Balance Sheet

In terms of our Report of even date

For **S. S. Kothari & Co.**

Chartered Accountants

Registration No. 302034E

H. M. Gupta

Executive Chairman

Dr. S. S. Baijal

Director

R. K. Roy Chaudhury

Partner

Membership No.008816

C. S. Bedi

Managing Director

H. M. Parekh

Director

V. P. Agarwal

Director

N. Palchoudhuri

Director

Place: Delhi

Date: 30th May, 2016

N. K. Khurana

Chief Financial Officer-cum-Company Secretary

Consolidated Profit and Loss Statement for the year ended 31st March, 2016

₹ in lakhs

Particulars	Note No	Year ended 31st March, 2016	Year ended 31st March, 2015
I. Revenue from operations	1	16,110.08	14,110.76
II. Other Income	2	526.59	273.27
III. Total Revenue (I + II)		16,636.67	14,384.03
IV. Expenses			
Cost of materials consumed	3	1,020.36	706.61
Changes in inventories of finished goods, work-in- progress and Stock-in-Trade	4	(280.45)	(119.56)
Employee benefits expense	5	7,860.49	6,451.40
Finance costs	6	691.48	757.72
Depreciation and amortization expense	7	953.01	956.41
Activities on Corporate Social Responsibility		49.19	60.54
Other expenses	8	5,140.74	4,960.13
Total Expenses		15,434.82	13,773.25
V. Profit before exceptional items and tax (III - IV)		1,201.85	610.78
VI. Exceptional Items		—	—
VII. Profit before tax (V - VI)		1,201.85	610.78
VIII. Tax expense:			
(1) Current tax			
- For Current Year		300.00	176.20
[Share of Joint Venture ₹ Nil (2015- ₹ 6.20 Lakhs)]			
- For earlier Year		100.00	—
(2) Deferred tax adjustment		(151.84)	4.48
		248.16	180.68
IX. Profit for the period (VII - VIII)		953.69	430.10
X. Earning per equity share:			
(1) Basic	9	2.60	1.17
(2) Diluted		2.60	1.17

Notes 1 to 9 referred to above form an integral part of the Profit and Loss Statement
In terms of our Report of even date

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

R. K. Roy Chaudhury
Partner
Membership No.008816

H. M. Gupta
Executive Chairman

C. S. Bedi
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Director

H. M. Parekh
Director

N. Palchoudhuri
Director

Place: Delhi
Date: 30th May, 2016



Statutory Reports

Standalone Financials

Consolidated Financials

Consolidated Cash Flow Statement for the year ended 31st March, 2016

₹ in lakhs

Particulars	2015-2016		2014-2015	
A. Cash Flow from Operating Activities				
Profit before Tax		1,201.85		610.78
- Adjustment for :				
Depreciation	953.01		956.41	
Finance Cost (Net of Provision)	542.85		614.18	
Provision for Forex Loss on Swap Transactions	148.63		143.54	
Gain on Foreign Currency Translation of Non-Integral Foreign Operations	0.26		0.56	
Loss on Disposal of Fixed Assets (Net)	54.50		21.64	
Liabilities no more required written back (net)	(18.38)		(3.47)	
Net Gain on sale of Investments	(383.45)		(198.57)	
		1,297.42		1,534.29
		2,499.27		2,145.07
Items Considered in Investing Activity :				
Interest on Deposits etc.	(61.66)		(65.70)	
Rent Received	—		(5.50)	
Dividend	—		(0.02)	
		(61.66)		(71.22)
Operating Profit before Working Capital Changes		2,437.60		2,073.85
- Adjustment for :				
Current Assets including Long Term Loans and Advances	(1,374.22)		(1,528.76)	
Current Liabilities	616.65		147.08	
		(757.57)		(1,381.68)
Cash Generated from Operations		1,680.04		692.16
Finance Cost (Net)	(542.85)		(580.91)	
Forex Loss on Swap Transactions	(130.64)		(86.06)	
Direct Taxes (Net of refund)	(283.21)		(191.35)	
		(956.70)		(858.32)
Cash Flow before Extraordinary Items		723.34		(166.16)
Extraordinary Items		—		—
Net Cash Flow from Operating Activities		723.34		(166.16)
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets including Advances for Capital Assets		(2,539.04)		(1,562.67)
Sale of Fixed Assets (Including Subsidy received from Tea Board)		55.92		2.38
Purchase of Investments		(2,435.00)		—
Exchange Difference for Investment in Joint Venture		17.55		12.25
Sale/ Redemption of Investments		3,532.20		2,608.57
Compensation received for acquisition of Land		0.11		—
Interest Received		61.66		65.70
Rent Received		—		5.50
Dividend Received		—		0.02
Net Cash Flow from Investing Activities		(1,306.60)		1,131.75

Consolidated Cash Flow Statement for the year ended 31st March, 2016

₹ in lakhs

Particulars	2015-2016		2014-2015	
C. Cash Flow from Financing Activities				
Loan given and Interest thereon (Share of Joint Venture)		(428.77)		(540.63)
Proceeds of Working Capital Loan from Bank (Net)		2,614.69		748.98
Repayment of Term Loan From Bank		(990.00)		(990.00)
Dividend Paid and Tax thereon		(441.00)		(214.66)
Net Cash Flow from Financing Activities		754.92		(996.31)
Net Increase in Cash and Cash Equivalents (A+B+C)		171.66		(30.72)
Cash and Cash Equivalents as at 31.03.2015 (Opening Balance)		99.87		130.59
Cash and Cash Equivalents as at 31.03.2016 (Closing Balance)		271.53		99.87

Note :

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

In terms of our Report of even date

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

R. K. Roy Chaudhury
Partner
Membership No.008816

Place: Delhi
Date: 30th May, 2016

H. M. Gupta
Executive Chairman

C. S. Bedi
Managing Director

V. P. Agarwal
Director

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

Dr. S. S. Baijal
Director

H. M. Parekh
Director

N. Palchoudhuri
Director



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Standalone Financials

Consolidated Financials

Notes to the Consolidated Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
A SHARE CAPITAL		
Authorized		
4,50,00,000 Equity Shares of ₹ 2 each	900.00	900.00
Issued, Subscribed and Paid Up		
3,66,96,475 Equity Shares of ₹ 2 each fully paid up	733.93	733.93
B RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last Account	557.02	488.86
Add: Surface Compensation received in respect of Tea Estate's Land	0.11	—
	557.13	488.86
Add: Capital Reserve on Consolidation	130.09	68.16
	687.22	557.02
Foreign Currency Translation Reserve (Arising out of Consolidation of Share of Joint Venture)		
Balance as per last Account	(10.85)	(8.20)
Add: Adjustments for transaction of Non-Integral Foreign Operations	(3.23)	(2.65)
	(14.08)	(10.85)
Securities Premium Account		
Balance as per last Account	2,609.55	2,609.55
Revaluation Reserve		
Balance as per last Account	4,843.65	5,002.96
Less: Withdrawal on account of depreciation on incremental amounts upon revaluation	—	—
	4,843.65	5,002.96
Less: Adjustment as per transitional provision of Schedule II to the Companies Act, 2013	—	159.31
	4,843.65	4,843.65
General Reserve		
Balance as per last account	12,163.28	12,265.02
Add: Transfer from Profit & Loss Account	700.00	100.00
	12,863.28	12,365.02
Less: Adjustment as per transitional provision of Schedule II to the Companies Act, 2013	—	201.74
	12,863.28	12,163.28
Surplus in Profit and Loss Account		
Balance as per last Account	441.69	361.97
Add: Transfer from Profit and Loss Account	956.19	399.89
	1,397.88	761.86
Less: Transfer to General Reserve	700.00	100.00
	697.88	661.86
Less: Interim Dividend on Equity Shares	183.48	—
Final Dividend on Equity Shares	—	183.48
Tax on Dividend	37.35	36.69
	477.05	441.69
Share of Joint venture - Note 3 (ii)	(45.19)	(42.69)
Total	431.86	399.00
Grand Total	21,421.48	20,561.65

Notes to the Consolidated Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
C LONG-TERM BORROWINGS		
Secured Loans		
Term Loans from Banks	1,207.50	2,197.50

Notes :

1. Current Maturities of these loans - ₹ 990 Lakhs (Note H)
2. These loans are secured on pari passu basis by hypothecation of Moveable Assets and Deposit of Title Deeds in respect of Namsang and Kharikatia Tea Estates. While the Equitable Mortgage on Namsang T.E. has been formalised, the same is awaited for Kharikatia T.E. of the Company pending receipt of statutory approvals/ completion of required legal formalities.
3. These loans are repayable in equated quarterly installments up to a 6 year period from the date of respective disbursement and will be fully liquidated by the Financial Year 2018-2019.
4. The Company has entered into Cross Currency Swap Transactions and opted to swap these loans from Indian Rupees in to US Dollars. The Contracts for such transactions outstanding as on 31st March, 2016 are as under:

Currency	Cross Currency	Buy (US\$ in lakhs)	Sell (₹ in lakhs)
Indian Rupee	US Dollar	18.27	1,012.50
Indian Rupee	US Dollar	9.51	525.00
Indian Rupee	US Dollar	11.96	660.00
		39.74	2,197.50

In view of upward revision of Indian Rupees and U.S.Dollar Exchange Rates since entering in to the above transactions, the Company has provided for the likely loss on the above outstanding U.S. Dollar based on the year end exchange rates. Total provision on this account as on 31st March, 2016 amounts to ₹ 438.55 lakhs. (Schedule E and I)

D DEFERRED TAX LIABILITY/ ASSET (NET)		
As per the Accounting Standard AS-22 – Accounting for taxes on Income, an amount of ₹ 175.84 lakhs was recognised as Deferred Tax Liability as on 31st March, 2015. During the year, a review with respect to the carrying amount of Deferred Tax Liability was done and the same was revised to ₹ 24.00 lakhs as on 31st March, 2016. Thus, an amount of ₹ 151.84 lakhs has been shown as Deferred Tax Adjustment in the Profit and Loss Statement for the year ended 31st March, 2016. The components of Deferred Tax Liability are as under:		
Deferred Tax Liability		
Depreciation as per Books and Tax Laws	24.00	175.84
	24.00	175.84

E LONG-TERM PROVISIONS		
Provision for Forex Loss on Swap Transactions	240.94	289.92
Provision for employee benefits	33.12	28.64
	274.06	318.56

F SHORT-TERM BORROWINGS		
Secured Loans		
Loans repayable on demand from Banks	4,456.43	2,341.74
Unsecured Loans		
Short Term Loan from Bank	500.00	—
	4,956.43	2,341.74

Remark :

The loans repayable on demand from Banks are secured on pari passu basis by hypothecation of tea crops and moveable assets of all the Tea Estates of the Company. These are also collaterally secured on pari passu by Equitable Mortgages of Dikom, Nokhroy, Bokakhat, Romai and Namsang Tea Estates and pending creation of Equitable Mortgage on Kharikatia T.E.



Notes to the Consolidated Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
G TRADE PAYABLES		
Sundry Creditors	596.24	377.68
Remark: The above includes dues, for less than 30 days, to a Small Enterprise within the meaning of Sec. 7(1)(ii) of Micro, Small and Medium Enterprises Development Act, 2006 - ₹ 13.69 lakhs (2015- ₹ 2.84 lakhs).		
H OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings	990.00	990.00
Interest accrued but not due on borrowings	31.06	36.72
Advance from Customers	282.60	1.05
Unpaid Dividends*	17.85	11.47
Other Payables		
For Expenses etc.	1,205.93	1,055.03
Statutory Dues	110.23	105.36
Due to Gratuity Fund	99.64	162.52
Total	2,737.31	2,362.15
Share of Joint Venture - Note 3(ii)	1.09	1.01
Grand Total	2,738.40	2,363.16
*Investor Education and Protection Fund shall be credited with the amount of Unpaid Dividends, when due.		
I SHORT-TERM PROVISIONS		
Provision for Forex Loss on Swap Transactions	197.61	130.64
Provision for Taxation (Net)	37.24	—
Proposed Dividend	—	183.48
Tax on Dividend	—	36.69
	234.85	350.81

Notes to the Balance Sheet

₹ in lakhs

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION/AMORTIZATION					NET BLOCK		
	Gross Carrying Amount as at the beginning of the year	Additions during the Year	Disposal / Adjust-ments during the Year	Gross Carrying Amount as at the end of the year	Accumulated depreciation at the beginning of the year	Deprecia-tion provided for the year	Transitional adjustment (+) with General/ Revaluation Reserve	Transitional adjustment (-) with General Reserve	On disposal during the Year	Accumulated depreciation at the end of the year	Net Carrying Amount as at the end of the year	Net Carrying Amount as at the beginning of the year
J. TANGIBLE ASSETS												
Land and Planted Teas	11,458.04	1,204.15	—	12,662.19	—	0.30	—	—	—	0.30	12,661.89	11,458.04
Leasehold Improvement	395.74	75.22	62.64	408.32	43.05	46.80	—	—	9.16	80.69	327.63	352.69
Buildings	4,497.03	300.79	—	4,797.82	937.00	179.26	—	—	—	1,116.26	3,681.56	3,560.03
Plant and Equipment	4,894.76	523.95	52.17	5,366.54	1,906.75	371.82	—	—	1.08	2,277.49	3,089.05	2,982.77
Furniture and Fixtures	821.04	73.78	1.02	893.80	236.74	84.42	—	—	0.32	320.84	572.96	584.29
Vehicles	1,021.14	65.89	18.80	1,068.23	445.20	132.95	—	—	16.60	561.55	506.68	575.95
Office Equipments	247.59	69.20	3.69	313.10	88.48	35.65	—	—	1.43	122.70	190.40	164.35
Computers	251.19	100.44	1.01	350.62	148.36	57.29	—	—	0.32	205.33	145.29	102.84
31st March, 2016	23,586.53	2,413.42	139.33	25,860.62	3,805.58	908.49	—	—	28.91	4,685.16	21,175.46	19,780.96
31st March, 2015	22,095.57	1,529.21	38.25	23,586.53	2,554.32	885.37	396.21	16.10	14.23	3,805.57		

INTANGIBLE ASSETS												
Computer Software	245.34	4.53	—	249.87	149.71	39.96	—	—	—	189.67	60.20	95.64
Branding and Trade mark	18.84	7.45	—	26.29	8.10	4.56	—	—	—	12.66	13.63	10.73
31st March, 2016	264.18	11.98	—	276.16	157.81	44.52	—	—	—	202.33	73.83	106.37
31st March, 2015	198.88	65.30	—	264.18	54.19	71.04	32.60	0.02	—	157.81		

Note: Disposal / Adjustment during the year under the head Plant and Equipment includes receipts from Tea Board of India towards Irrigation Subsidy against the items added in earlier years - ₹ 43.25 lakhs.



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Standalone Financials

Consolidated Financials

Notes to the Consolidated Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
K NON-CURRENT INVESTMENTS		
At Cost		
Trade Investments: Unquoted		
In Equity Instruments	5.00	5.00
Other Investments: Unquoted		
In Units and Bonds	2,600.08	3,305.89
Other Investments: Quoted		
In Equity Instruments	—	7.94
	2,605.08	3,318.83
Aggregate Amount of Quoted Investments	—	7.94
Aggregate Amount of Unquoted Investments	2,605.08	3,310.89
	2,605.08	3,318.83
Market Value of Quoted Investments	—	1.45
L LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	33.78	18.89
Advance due by an Officer (KMP)	—	1.88
Security Deposits	436.02	321.90
Other Deposits	0.43	3.78
Deposit with Assam Financial Corporation	271.33	352.44
TOTAL	741.56	698.89
Share of Joint Venture - Note 3 (ii)	2,221.80	779.50
GRAND TOTAL	2,963.36	1,478.39
M INVENTORIES		
Stock of Finished Goods/Stock-in-Trade at lower of cost and net realizable value	528.99	245.23
Stock of Stores and Spares at or under cost	406.39	377.71
Stock of Raw Materials at cost	910.29	283.55
Work-in-progress at works cost	63.89	67.20
	1,909.56	973.69
N TRADE RECEIVABLES		
Unsecured, Considered Good		
Debts outstanding for a period exceeding six months	110.99	24.80
Other Debts	1,914.41	1,730.44
	2,025.40	1,755.24

Notes to the Consolidated Balance Sheet

₹ in lakhs

Particulars	As at 31st March, 2016	As at 31st March, 2015
O CASH AND CASH EQUIVALENTS		
Balances with Banks	193.85	56.65
Bank Deposits for less than 12 months maturity		
- Under Lien with Central Excise Authority for Clean Energy Cess on Coal Purchases	8.63	8.09
- Under Lien with States' VAT authorities as Security Deposit	3.25	3.25
Unpaid Dividend Accounts	17.85	11.47
Cash in Hand	26.55	15.44
Total	250.13	94.90
Share of Joint Venture - Note 3 (ii)	21.40	4.97
Grand Total	271.53	99.87
P SHORT-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Advance due by an Officer (KMP)	1.88	3.75
Other Loans and Advances		
Advances recoverable in Cash or in Kind or for value to be received	347.38	296.09
Advance Income Tax (Net)	—	79.97
[Net of Provision for Taxation -Share of Joint Venture - ₹ Nil (2015 - ₹ 7.02 Lakhs)]		
Total	349.26	379.81
Share of Joint Venture - Note 3 (ii)	—	896.01
Grand Total	349.26	1,275.82
Q OTHER CURRENT ASSETS		
Interest Accrued on Deposits	20.04	22.68
Other Receivables	423.22	329.64
Total	443.26	352.32
Share of Joint Venture - Note 3 (ii)	149.31	157.30
Grand Total	592.57	509.62
R CONTINGENT LIABILITIES AND COMMITMENTS		
(i) Estimated amount of Contingent Liabilities not provided for :		
a. Claims against the Company not acknowledged as Debt		
Income Tax	2.94	182.37
Clean Energy Cess	7.19	7.19
Interest on PF Arrears for Pre-acquisition period in respect of Kharikatia T.E.	75.43	75.43
b. Guarantees		
Bank Guarantees outstanding	128.27	62.27
(ii) Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance)	111.21	118.17



Notes to the Consolidated Balance Sheet

Particulars	As at 31st March, 2016	As at 31st March, 2015
S DIVIDEND PROPOSED		
Amount of Dividend proposed to be distributed to Equity Shareholders for the Financial Year 2015-2016		
Interim Dividend paid	183.48	—
Final Dividend recommended	—	183.48
Total Dividend per Equity Share of ₹ 2 each		
Interim Dividend	₹ 0.50	—
Final Dividend	—	₹ 0.50
% of Dividend proposed		
Interim Dividend	25.00	—
Final Dividend	—	25.00

H. M. Gupta
Executive Chairman

Dr. S. S. Baijal
Director

H. M. Parekh
Director

V. P. Agarwal
Director

N. Palchoudhuri
Director

C. S. Bedi
Managing Director

Place: Delhi
Date: 30th May, 2016

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

Notes to the Consolidated Profit and Loss Statement

₹ in lakhs

Particulars	2015-2016	2014-2015
1 REVENUE FROM OPERATIONS		
(a) Sale of Products		
Black Tea	11,767.01	10,890.51
Black Pepper	4.35	—
Avionics, Aviation and Electronic Equipments	1,303.23	595.93
Food and Beverage	1,150.85	876.08
	14,225.44	12,362.52
(b) Sale of Services		
Receipts for Technical and Support Services	1,530.89	1,313.02
(c) Other Operating Revenues		
Subsidy - Replanting	55.40	26.76
Tea Board Orthodox Subsidy Scheme	79.51	80.58
Sale of Duty Credit Entitlements License	161.60	192.67
Duty Drawback	42.05	41.12
Refund of Service Tax	4.31	—
Sundry Receipts	8.52	33.29
Liabilities no more required written back (net)	6.56	—
	357.95	374.42
Total	16,114.28	14,049.96
Less: Excise Duty	4.20	11.14
	16,110.08	14,038.82
Share of Joint Venture - Note 3 (ii)	—	71.94
Grand Total	16,110.08	14,110.76
2 OTHER INCOME		
Interest Income	61.66	65.71
Dividend Income	—	0.02
Rent Received	—	5.50
Net gain on Sale of Investments	383.45	198.57
Net gain on Foreign Currency transactions/translation	63.04	—
Liabilities written back	18.38	3.47
	526.53	273.27
Share of Joint Venture - Note 3 (ii)	0.06	—
Grand Total	526.59	273.27
3 COST OF MATERIALS CONSUMED		
Purchase of Green Leaf	95.28	45.26
Consumption of Raw Materials	925.08	661.35
	1,020.36	706.61
4 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock of Finished Goods/Stock-in-Trade	245.23	168.13
Less : Closing Stock of Finished Goods/Stock-in-Trade	528.99	245.23
	(283.76)	(77.10)
Opening Stock of Work-in-Progress	67.20	24.74
Less : Closing Stock of Work-in-Progress	63.89	67.20
	3.31	(42.46)
	(280.45)	(119.56)
5 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	6,402.29	5,103.12
Contribution to Provident and other Funds	836.63	835.10
Workmen and Staff Welfare	621.57	513.18
	7,860.49	6,451.40



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Standalone Financials

Consolidated Financials

Notes to the Consolidated Profit and Loss Statement

₹ in lakhs

Particulars	2015-2016	2014-2015
6 FINANCE COST		
a Interest		
Banks	495.06	490.79
b Other Borrowing Costs	1.84	2.48
c Applicable Net Loss on Foreign Currency Transactions		
- Forex Loss on Currency SWAP Transactions (Net)*	325.22	252.00
Forex loss on Other transactions (Net)	—	65.25
	822.12	810.52
Less: Provision for Forex Loss on Currency Swap Transactions written back	130.64	86.07
Total	691.48	724.45
Share of Joint Ventures - Note 3 (ii)	—	33.27
Grand Total	691.48	757.72

*Forex Loss on SWAP Transactions includes provision made as at 31st March, 2016 - ₹ 148.63 Lakhs.
(2014-2015 - ₹ 143.54 lakhs)

7 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation / Amortization	953.01	956.41
	953.01	956.41

8 OTHER EXPENSES		
Consumption of Stores, Tools and Spare Parts	910.09	1,000.85
Power and Fuel	1,055.62	1,012.47
Cess on Green Leaf	87.63	84.79
Tea Cess	25.72	24.77
Rent	561.69	486.43
Rates and Taxes	37.14	41.44
Repairs to Building	145.55	130.93
Repairs to Machinery	217.06	218.59
Other Repairs and Maintenance	209.99	169.75
Vehicles Maintenance	136.35	125.55
Transportation	235.87	238.71
Shipment Charges	65.39	84.34
Warehousing and Selling Expenses	193.97	221.01
Post Sales Warranty Expenses	8.46	1.54
Brokerage	80.61	72.28
Commission on Sales	94.32	97.01
Insurance	76.35	65.09
Directors' Fee & Commission	18.17	11.40
Auditors' Remuneration	7.27	6.79
Traveling and Conveyance	255.24	199.54
Miscellaneous Expenses (Note Below)	661.19	642.95
Loss on Disposal of Fixed Asset (Net)	54.50	21.64
TOTAL	5,138.18	4,957.87
Share of Joint Venture - Note 3 (ii)	2.56	2.26
GRAND TOTAL	5,140.74	4,960.13

Note: Includes Contribution to Assam Pradesh Congress Committee, a Political Party within the meaning of Sec. 182 (2) of the Companies Act, 2013 - ₹ 12.50 lakhs (In 2014-2015 - ₹ 11.00 lakhs).

Notes to the Consolidated Profit and Loss Statement

₹ in lakhs

Particulars	2015-2016	2014-2015
9 EARNINGS PER EQUITY SHARE		
Basic and Diluted as computed as per Accounting Standard AS-20		
PROFIT AFTER TAXATION	953.69	430.10
Weighted average number of Equity Shares outstanding	366.96	366.96
Earnings per Equity Share of ₹ 2 each (₹)	2.60	1.17

H. M. Gupta
Executive Chairman

C. S. Bedi
Managing Director

V. P. Agarwal
Director

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

Dr. S. S. Baijal
Director

H. M. Parekh
Director

N. Palchoudhuri
Director

Place: Delhi
Date: 30th May, 2016



Notes to the Consolidated Balance Sheet

T Significant Accounting Policies and Other Notes to the Consolidated Financial Statement for the Year ended 31st March, 2016

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

The Consolidated Financial statements of the Group, comprises Rossell India Limited (The Parent Company), its Subsidiary, CAE Rossell India Limited (Wholly Owned Subsidiary) and Joint Venture, R V Enterprizes Pte. Ltd. The Consolidated Financial Statements are prepared in accordance with Accounting Standards AS-11, Effects of Changes in Foreign Exchange Rates", AS – 21, Consolidated Financial Statements and AS-27, Financial Reporting of Interests in Joint Ventures notified in terms of Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014.

The consolidated financial statements are prepared on the following basis :

(i) Investment in Subsidiaries

- The financial statements of the Holding Company and its Subsidiary Company have been combined on a line by line basis by aggregating like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated.
- The excess/ deficit of cost to the Parent of its investment in the Subsidiary over its Share of the Equity of the Subsidiaries, at the date on which such investment was made, has been recognized as goodwill/ Capital reserve in the Consolidated Financial Statements. The goodwill is disclosed as an asset and capital reserve as a reserve in the Consolidated Balance Sheet.

(ii) Investment in Joint Venture

- Interest in Joint Venture has been accounted by using the proportionate consolidation method as per Accounting Standard AS – 27, Financial Reporting on Interest in Joint Venture.

(iii) The financial statements of the subsidiary and Joint Venture used in the consolidation are drawn up to the same reporting date as that of the Holding Company.

(iv) As far as possible, the Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Standalone Financial Statements.

3. List of Subsidiaries and Joint Venture considered for preparation of consolidated financial statements:

	Name	Country of Incorporation	Proportion of Ownership Interest
i)	CAE Rossell India Ltd (Subsidiary Company)	India	100%
ii)	R.V. Enterprizes Pte. Ltd. (Interest in Joint Venture)	Singapore	26%

4. Changes in Consolidation Process as compared to 2014-2015

The Consolidated Financial Statements have been prepared on the same basis as that adopted in respect of the financial year 2014-2015. As per Paragraph 30 of Accounting Standard AS-21, Consolidated Financial Statements, comparative figures for the previous year have been presented and regrouped wherever considered appropriate.

5. Significant Accounting Policies

The following Accounting Policies have been adopted by both Parent and Subsidiary as well as Joint Venture and accordingly for preparing these Consolidated Financial Statements :

5.1 Accounting Convention

The Financial Statements have been prepared to comply in all material aspects with the accounting standards in terms of Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 in respect of the Parent Company and Wholly Owned Subsidiary. The Share of Joint Venture is based on the financial statement of the Joint Venture, which have been prepared in accordance with the Singapore Financial Reporting Standards (FRS) and provision of the Companies Act of the Republic of Singapore.

5.2 Basis of Accounting

The financial statements have been prepared in accordance with historical cost concept, save and except certain items of Fixed Assets, which were revalued as on 31st March, 2008 (Note 5.3 below).

Notes to the Consolidated Balance Sheet

T Significant Accounting Policies and Other Notes to the Consolidated Financial Statement for the Year ended 31st March, 2016

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

5.3 Fixed Assets

Fixed Assets, both tangible and intangible, are stated at cost of acquisition, net of subsidy received, where applicable together with resultant write up due to revaluation and depreciated on straight line method at the rates specified in Schedule II of the Companies Act, 2013.

Depreciation on Fixed Assets has been provided on straight line method at rates ascertained based on useful life of each of such assets and residual value as provided in schedule II to the Companies Act, 2013.

Certain items of Fixed Assets (Buildings and Plant and Machinery) revalued as on 31st March, 2008 have been depreciated based on Book Value in terms of the Application Guide on the Provisions of Schedule II to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India during February, 2015.

Cost of fixed asset includes purchase price and any expense directly attributable for bringing the asset to the working condition for intended use.

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

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

Expenses incurred for development of Brand and Trademark are capitalized and amortized as per the Accounting Standard AS-26, Intangible Assets.

Computer Software is capitalized where it is expected to provide future enduring economic benefit. The capitalization costs include license fee and cost of implementation and system integration services. The cost of such Software is also amortized as per the Accounting Standard AS- 26, Intangible Assets.

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

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

Compensation received from the authorities concerned for acquisition of small pieces and parcels of Land in the Tea Estates including Surface Compensation, is recognized in the year of receipt. Such Compensation is directly credited to Capital Reserve, as the cost attributable to such Land cannot be ascertained.

Subsidy received from Government or any statutory authority in respect of any item of fixed assets is deducted from cost of respective assets on receipt/ settlement.

5.4 Foreign Currency Transaction

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

The loss attributable to adverse Foreign Exchange fluctuation on the outstanding portfolio of Currency Swap at year end is being provided for based on year-end exchange rate and recognized in the Profit and Loss Statement.

In case of Joint Venture, being non-integral foreign operation, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rate prevailing as at the last day of the year. Any exchange difference arising on consolidation is recognized as Foreign Currency Translation Reserve.

5.5 Investments

Investments are stated at cost of acquisition and treated as long term investments. Provision is made in case of permanent diminution in value of Investments.

Cost includes purchase price plus brokerage and transfer cost.

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

5.6 Inventories

Stock of Finished Goods is valued at lower of cost computed on periodical average basis and net realizable value and that of stores and spares is valued at or under cost.



Notes to the Consolidated Balance Sheet

T Significant Accounting Policies and Other Notes to the Consolidated Financial Statement for the Year ended 31st March, 2016

Stock of Raw Materials and Work-in-progress has been valued at respective cost.

Provision for obsolete and slow moving stores is made, wherever necessary and reviewed from time to time.

5.7 Staff Benefits

- a) The Company is contributing regularly to the Provident Funds, administered by the Governments and independent of Company's finances, in respect of all its eligible employees. The Company also operates Defined Contribution Scheme for payment of Pension to certain classes of employees. Monthly contribution at 15% of the employees' current salary is made to recognized Superannuation Fund, which is fully funded. This Fund is administered by Trustees and is independent of Company's finance. Contributions are recognized in Profit and Loss Statement on an accrual basis.
- b) Defined Benefit Gratuity Plan is also maintained by the Company. The Company contributes to the recognized Gratuity Fund, which is administered by the Trustees and is independent of Company's finance. The Annual Contribution is determined by the actuary at the end of the year. Actuarial gains and losses are recognized in the Profit and Loss Statement. The Company also recognizes in the Profit and Loss Statement gains or losses on curtailment or settlement of the defined benefit plan as and when the curtailment or settlement occurs.
- c) Leave encashment liability for certain eligible employees, as determined on the basis of an actuarial valuation, is provided for at the end of each year, except where the same is actually ascertained and paid/provided for and charge is recognized in the Profit and Loss Statement. Such liability is not funded and being paid by the Company as and when required.

5.8 Borrowing Cost

Borrowing cost is recognized as an expense to the extent, the same has been incurred for the year, unless such cost is directly attributable to the acquisition, construction or production of a qualifying asset and capitalised as part of the cost of that asset as prescribed by Accounting Standard-16, Borrowing Costs. Subsidy receivable on this account is adjusted with expense for the year, in which the claim of the Company for such subsidy gets admitted.

The loss attributable to adverse Foreign Exchange fluctuation paid at the time of repayment of principal as well as provision made for such loss on the outstanding portfolio of Currency Swap at year end (Note 1.4 above) is also being considered as borrowing cost and shown accordingly in the Profit and Loss Statement under the head "Finance Cost".

5.9 Revenue Recognition

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

5.10 Sales

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

Sale of Services represents the invoice value of services rendered as per the agreed terms, net of Service Tax.

5.11 Replanting and Other Subsidies

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

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

5.12 Dividend Income

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

5.13 Taxes on Income

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

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

5.14 Excise Duty and Tea Cess

Excise duty and Tea Cess, as applicable on manufactured goods, is accounted for at the time of clearance. However, provision is made at the year-end on finished goods lying in stock at factory.

Notes to the Consolidated Balance Sheet

T Significant Accounting Policies and Other Notes to the Consolidated Financial Statement for the Year ended 31st March, 2016

5.15 Provisions

A provision is recognized when there is an obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

6. CONSOLIDATED SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2016 :

1. **Business Segments :** In terms of AS-17- Segment Reporting, the Group has following Business Segments as Primary Segment for disclosure.

- A. Cultivation, Manufacture and Sale of Tea
- B. Aviation, Products and Services
- C. Hospitality

₹ in lakhs

Particulars	2015-2016	2014-2015
2 Revenue		
A. Cultivation, Manufacture and Sale of Tea	12,125.08	11,262.78
B. Aviation, Products and Services	2,832.48	1,897.85
C. Hospitality	1,155.62	878.19
D. Share of Joint Venture	-	71.94
	16,113.18	14,110.76
3 Results		
A. Cultivation, Manufacture and Sale of Tea	2,071.61	1,929.23
B. Aviation, Products and Services	506.80	75.73
C. Hospitality	(1,065.69)	(958.30)
D. Share of Joint Venture	(2.50)	36.41
	1,510.22	1,083.07
Less: i) Interest Net of Subsidy	496.90	493.27
ii) Exchange Loss on currency Swap Transactions	194.58	165.94
iii) Unallocated expenses, net of unallocated Income	(383.11)	(186.92)
	1,201.85	610.78
4 Segment Assets		
A. Cultivation, Manufacture and Sale of Tea	20,955.96	20,283.90
B. Aviation, Products and Services	4,559.93	2,397.04
C. Hospitality	1,303.81	1,253.77
D. Share of Joint Venture	2,392.51	1,830.77
E. Unallocated	2,974.68	3,655.39
	32,186.89	29,420.87
5 Segment Liabilities		
A. Cultivation, Manufacture and Sale of Tea	9,278.80	7,353.10
B. Aviation, Products and Services	495.01	102.36
C. Hospitality	50.52	73.51
D. Interest in Joint Venture	1.09	1.01
E. Unallocated	206.06	595.31
	10,031.48	8,125.29
6 Capital Expenditure		
A. Cultivation, Manufacture and Sale of Tea	821.68	805.63
B. Aviation, Products and Services	1,427.85	161.93
C. Hospitality	167.81	471.29
D. Unallocated	8.06	155.65
	2,425.40	1,594.50
7 Depreciation (Net of Adjustment with Revaluation Reserve)		
A. Cultivation, Manufacture and Sale of Tea	624.87	636.19
B. Aviation, Products and Services	193.43	201.47
C. Hospitality	134.71	118.75
	953.01	956.41



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Notes to the Consolidated Balance Sheet

T Significant Accounting Policies and Other Notes to the Consolidated Financial Statement for the Year ended 31st March, 2016

7. The following are the Related Party transaction undertaken by the Group during the period ended 31st March 2016, in terms of AS-18, Related Party Disclosures issued by the Institute of Chartered Accountants of India:

Name of the Related Party and nature of relationship:

Key Management Personnel	:	Mr. H. M. Gupta, Executive Chairman Mr. C. S. Bedi, Managing Director Mr. N K Khurana, Chief Financial Officer -cum-Company Secretary
Relatives of Key Managerial Personnel	:	Mr. R M Gupta Mrs. Vinita Gupta Ms. Samara Gupta Mrs. Sonia Bedi
Holding Company	:	BMG Enterprises Ltd.
Enterprises over which the Key Managerial Personnel or their relatives have significant influence	:	BMG Investments Private Ltd Harvin Estates Private Ltd BMG Foundation

Particulars of transactions for year ended 31st March 2016 :

₹ in lakhs

Nature of Transactions	Financial Year	
	2015-2016	2014-2015
Key Managerial Personnel and relatives		
1. Rent for Residential Accommodation	8.40	8.40
2. Remuneration Paid	205.37	126.93
3. Remuneration Paid to Relative	97.59	71.18
4. Interest Free Advance Refunded	3.75	3.75
Enterprises where significant influence is exercisable		
1. Rent paid for Office Space	6.00	6.00
2. Rent for Residential Accommodation	6.00	6.00
3. Contribution made for charitable purpose (included in CSR Activities)	12.00	12.00

8. Additional statutory information disclosed in separate financial statements of the Parent, the Subsidiary and the Joint Venture 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.

Notes to the Consolidated Balance Sheet

T Significant Accounting Policies and Other Notes to the Consolidated Financial Statement for the Year ended 31st March, 2016

9. The required information in Form AOC I – Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures as on 31st March, 2016.

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

₹ in lakhs

1. Sl. No.	1
2. Name of the Subsidiary	CAE Rossell India Limited Wholly Owned Subsidiary
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Year ended 31st March, 2016
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees
5. Share Capital	5.00
6. Reserves and Surplus	(9.93)
7. Total Assets	0.65
8. Total Liabilities	5.58
9. Investments	—
10. Turnover	—
11. Profit before Taxation	(1.27)
12. Provision for Taxation	—
13. Profit after Taxation	(1.27)
14. Proposed Dividend	Nil
15. % of shareholding	100%

- Name of subsidiaries which are yet to commence operation
– The above subsidiary is yet to commence any operations.
- Names of subsidiaries which have been liquidated or sold during the year – **None.**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ in lakhs

Name of Associates/Joint Ventures	R. V. Enterprizes Pte. Ltd., Singapore
1 Latest audited Balance Sheet Date	31st March, 2016
2 Shares of Associate/Joint Ventures held by the company on the year end	26%
No.	3,61,007 Equity Shares of Singapore \$ 1 each 34,44,725 Preference Shares of US Dollar 1 each
Amount of Investment in Associates/Joint Venture	2,011.49
Extend of Holding %	26%
3 Description of how there is significant influence	Since the holding is more than 20% of total Share Capital, as per explanation to Sec. 2 (6) of the Companies Act, 2013, this Company is an Associate Company.
4 Reason why the associate/joint venture is not consolidated	Not Applicable
5 Net worth attributable to Shareholding as per latest audited Balance Sheet	2,391.44 (USD 3.605 Million converted at year end exchange rate of ₹ 66.33)
6 Profit / Loss for the year	(2.53)(Loss After Tax) (USD 0.00381 Million converted at year end exchange rate of ₹ 66.33)
i Considered in Consolidation	Yes
ii Not Considered in Consolidation	Not Applicable

- Names of associates or joint ventures, which are yet to commence operations — Not Applicable
- Names of associates or joint ventures, which have been liquidated or sold during the year — Not Applicable



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Notes to the Consolidated Balance Sheet

T Significant Accounting Policies and Other Notes to the Consolidated Financial Statement for the Year ended 31st March, 2016

10. Statement on Impact of Audit Qualifications for audit report with modified opinion on Consolidated Financial Results for the Financial Year ended 31.03.2016.

[Pursuant to Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) ₹ In Lakhs	Adjusted Figures (audited figures after adjusting for qualification) ₹ In Lakhs
	1.	Turnover	15,756.33	15,756.33
	2.	Total income	16,636.67	16,636.67
	3.	Total Expenditure	15,424.82	15,424.82
	4.	Net Profit / (Loss)	1,211.85	1,211.85
	5.	Earnings Per Share	2.60	2.60
	6.	Total Assets	32,186.89	32,186.89
	7.	Total Liabilities	10,031.48	10,031.48
	8.	Net Worth	22,155.41	22,155.41
		Any other financial item(s) (as felt appropriate by the management)	—	—

II. Audit Qualification (each audit qualification separately):

- Details of Audit Qualification:** The qualification of Consolidated Financial Statement is based on disclaimer by the Auditors of the Joint Venture at Singapore, where the auditors could not verify the Management's evaluation of the impairment assessment and expressed their inability to ascertain the amount of impairment adjustment required for a loan of ₹ 2,371,11 lakhs extended by them to their subsidiary company.
- Type of Audit Qualification :** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion - Disclaimer of Opinion
- Frequency of Qualification:** Whether appeared first time / repetitive / since how long continuing - Repetitive and continuing since the Financial Year 2014-2015
- For Audit Qualification(s) where the impact is quantified by the auditor, Management View:**
The Impact is not quantified by the Auditors
- For Audit Qualification(s) where the impact is not quantified by the auditor:**
 - Management's estimation on the impact of audit qualification:**
Management is not in a position to estimate the impact of such qualification
 - If management is unable to estimate the impact, reasons for the same:**
Management of Joint Venture evaluated the impairment assessment of loans to subsidiary taking into account the business plan and the Cash flow projections of that subsidiary. The Management of the Company relies on the Management of Joint Venture and can not estimate the amount of impairment, if any, at this stage.
 - Auditors' Comments on (i) or (ii) above**
The overseas auditors of Joint venture could not verify independent management's evaluation of the impairment assessment and expressed their inability to determine whether any adjustment in the carrying value of loans to subsidiary is required. Thus, the estimation of adjustment of impairment loss is not readily ascertainable.

III. Signatories

For Rossell India Limited
H. M. Gupta
Executive Chairman – CEO

For Rossell India Limited
S. S. Baijal
Chairman of Audit Committee

For S. S. Kothari & Co.
Chartered Accountants
[Registration No. 302034E]

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

R. K. Roy Choudhury
Partner
Membership No.008816

Place: Delhi
Date: 30/05/2016

Notes to the Consolidated Balance Sheet

T Significant Accounting Policies and Other Notes to the Consolidated Financial Statement for the Year ended 31st March, 2016

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

H. M. Gupta
Executive Chairman

C. S. Bedi
Managing Director

V. P. Agarwal
Director

N. K. Khurana
Chief Financial Officer-cum-Company Secretary

Dr. S. S. Baijal
Director

H. M. Parekh
Director

N. Palchoudhuri
Director

Place: Delhi
Date: 30th May, 2016

[illegible]

Statement of approximate area, crop and yield

TEA ESTATES	Tea Bearing Area in Hectares	Crop (Kgs.) 2015-2016	Yield per Bearing Hectare
DIKOM	560	12,33,266	2,202
NOKHROY	308	6,79,771	2,207
NAGRIJULI	525	9,70,641	1,849
BOKAKHAT	270	4,36,957	1,618
ROMAI	282	5,31,107	1,883
NAMSANG	285	5,80,977	2,039
KHARIKATIA	422	6,83,357	1,619
TOTAL	2,652	51,16,076	1,929



Consolidated Financials

[illegible]

If undelivered, please return to :



Rossell India Limited

Registered Office

Jindal Towers, Block 'B', 4th Floor

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