

CONTINUOUS



Forward-looking statement

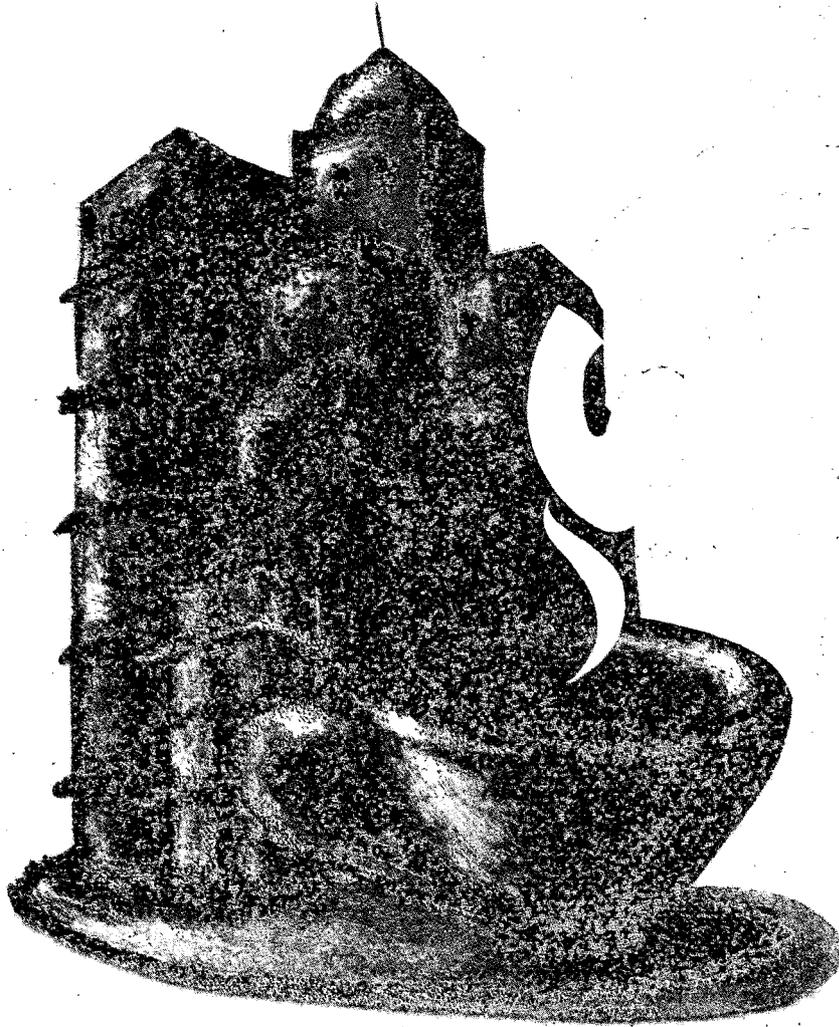
In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

- ▶ Corporate Identity 02 ▶ CMD's review 04 ▶ Our strengths 06 ▶ Looking back at 2008-09 07
- ▶ Business division – Tea 08 ▶ Business division – IT-SEZ 12 ▶ Overview of SAPL 14
- ▶ Financial review 16 ▶ Risk management 18 ▶ Directors' report 24
- ▶ Corporate governance 29 ▶ Auditors' report 39 ▶ Financial statements 42



Tea. Equity. Annuity.

This is the fundamental theme of Dhunseri Tea's business model

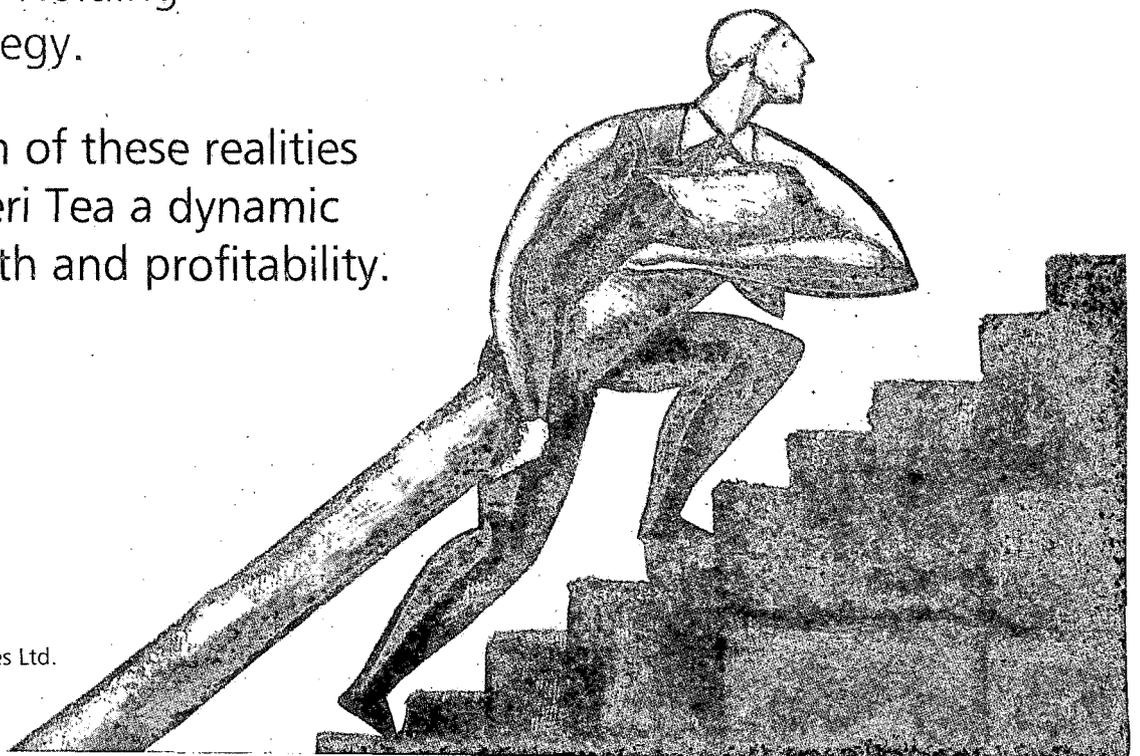
Dhunseri Tea has been a progressive quality-focused Indian tea company for over five decades.

A year ago, the Company acquired additional equity in Group company South Asian Petrochem Limited (SAPL), transforming it into a subsidiary.

Concurrently, the Company invested in the development of IT and ITeS infrastructure with the prospect of regular rental income.

Traditional business. Sunrise sector. Holding company strategy.

A combination of these realities makes Dhunseri Tea a dynamic proxy of growth and profitability.



Legacy

Dhunseri Tea is the flagship company of the Rs 1,250-cr Kolkata-based Dhunseri Group acquired by late Mr. S.L. Dhanuka in 1956

Management

- Presently headed by Mr. C.K. Dhanuka, Chairman and Managing Director
- Assisted by Mr. Mrigank Dhanuka, Director
- Promoters held a 75% stake in the Company as on 31st March, 2009

Businesses

- Tea
- Equity
- Commercial infrastructure

Presence

- ▶ Headquartered in Kolkata, India
- ▶ 11 tea estates in Assam
- ▶ Tea blending and packaging units at Jaipur (Rajasthan) and Dhunseri Tea Estate (Assam)
- ▶ Shares listed on the National Stock Exchange and the Bombay Stock Exchange

Achievements

- Among the 10 leading Indian tea growing companies
- Market leader in the packet tea segment in Rajasthan
- Entire production recognised as superior quality Assam tea

Our corporate philosophy

- Enduring commitment to enhance shareholder value
- Creating customer value
- Benchmarking with global best practices

Our corporate strategy

- ▶ Enhancing tea production and business growth
- ▶ Achieving global scale in PET production
- ▶ Increasing market share in the branded/packet tea segment

Our Brands



CMD'S overview

With tea production of about 10 mn kg in 2008-09, Dhunseri reached an important benchmark in being recognised as a major tea company.



Even as the financial year 2008-09 was challenging for most companies, Dhunseri Tea performed creditably on account of our principal product being relatively insulated from the confidence downturn.

In 2008-09, global tea production declined by around 100 mn kg owing to drought and climatic variations. Production in major tea producing countries like Kenya, Indonesia, Sri Lanka, Zimbabwe and Bangladesh, among others, was most affected. However, Indian tea production went up by around 4%, mainly as a result of an increased production in the tea estates of southern India.

In such an environment the challenge was clearly to produce more to capitalise on higher realisations. At Dhunseri, we responded to this challenge.

With our tea production of about 10 mn kg, we touched an important benchmark in being recognised as a major tea company.

Quality improvement

At Dhunseri, we have succeeded over the decades for an important reason – a continuing focus on quality without affecting quantity. The result was that our superior quality produce enjoyed realisations higher than the market average on the one hand and moved faster off the markets on the other.

Our disciplined quality approach reconciles traditional techniques with modern methods. During 2008-09, the increased plucking of quality leaves facilitated superior produce.

Technology enhancements

At Dhunseri, this quality improvement was not achieved in isolation. We invested in technology enhancement in 2008-09. We installed the latest drier with a drying capacity of about 400 kg of made tea per hour (earlier 180 kg/hour) in our gardens. We enhanced CTC processing quantity from about 600 kg/hour to about 900 kg/hour. Going ahead, these initiatives will reduce our annual power and fuel cost, while enhancing product quality.

Merger benefits

Our merger with Tezpur Tea Ltd strengthened our topline, produce blend, product mix and knowledge sharing.

Developments at Bantala SEZ

The foundation stone of our Bantala SEZ was laid by the Hon'ble Chief Minister Shri Buddhadeb Bhattacharjee on 19th January 2009. I must assure shareholders that our project received all major clearances and achieved financial closure; project construction was deferred to November 2009 on account of the economic slowdown and will be executed in two phases, the first phase of 3,60,000 sq. ft taking around 24 months.

SAPL driving growth

The Company continued to focus on creating a new PET resin plant in Egypt in line with its vision to emerge as one of the largest PET resin companies in the world. Owing to issues related to land acquisition, SAPL shifted its greenfield project to Port Said from its earlier location of Damietta Port without any viability compromise. SAPL utilised the opportunity to

We are targeting a topline growth in our tea business in 2009-10 through a better price realisation, an enhanced volume of packet tea sales, the launch of a new brand and the commencement of construction at our Bantala project.

increase its proposed plant capacity from 900 TPD to 1,200 TPD. The location will facilitate raw material procurement from Africa and the Middle East and accelerate the Company's reach deep into the US and Europe, while saving freight. In the Company's existing operations at Haldia, better inventory management and effective cost-cutting helped counter the effects of the ongoing slowdown.

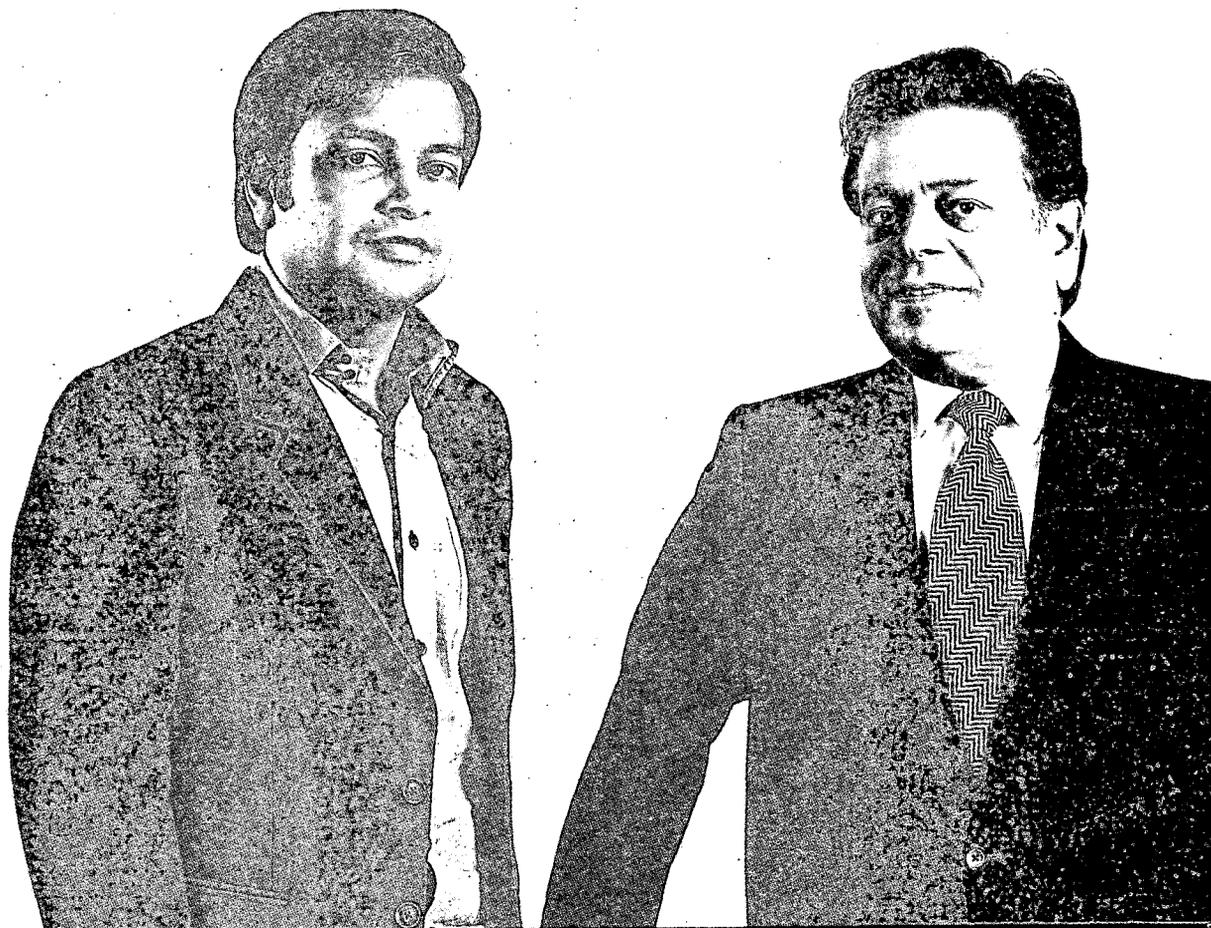
Outlook

I reaffirm our faith in the prospects of the Indian economy and our ability to capitalise on them.

We are targeting a topline growth in our tea business in 2009-10 through a better price realisation, an enhanced volume of packet tea sales, the launch of a new brand and the commencement of construction at our Bantala project.

I am optimistic that these initiatives will translate into enhanced value for our stakeholders.

C K Dhanuka
Chairman and Managing Director



Our strengths

With about 10 mn kg annual tea production makes us one of the largest Indian tea producing companies.

A productivity of 28 kg per labour per person cycle is higher than the corresponding average in other companies.

With an average yield of around 2,400 kg per hectare, we are favourably placed in comparison with the industry benchmark of 1,800 kg per hectare. Earlier, in one of our gardens, we had attained an average yield of around 3,500 kg per hectare.

Superior quality translated into higher realisations; the Company is now acknowledged as a price-setter in packet tea in Rajasthan.

The Company invested in irrigation infrastructure resulting in the 100% irrigation coverage of its gardens and continues to upgrade its irrigation facilities with latest technologies to mitigate the ill-effects of drought.

Technology

The Company is equipped with latest driers and CTC machines, reducing process time and cost.

Dhunseri ensures high maintenance standards in its gardens and factories.

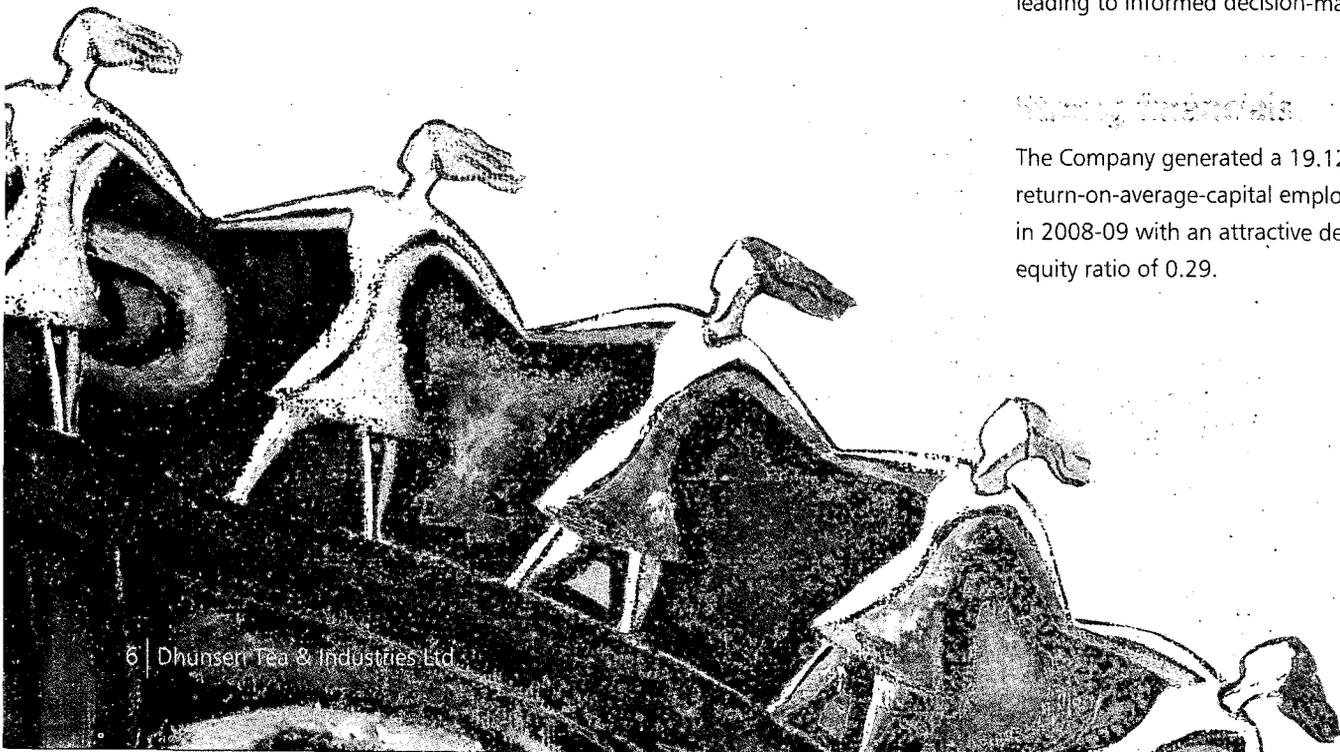
The Company's brands ('Lal Ghora' and 'Kala Ghora') maintained their position as the highest selling brands in Rajasthan.

Connectivity

The Company is exploring the possibility of installing suitable IT connectivity with its gardens to facilitate real-time communication, leading to informed decision-making.

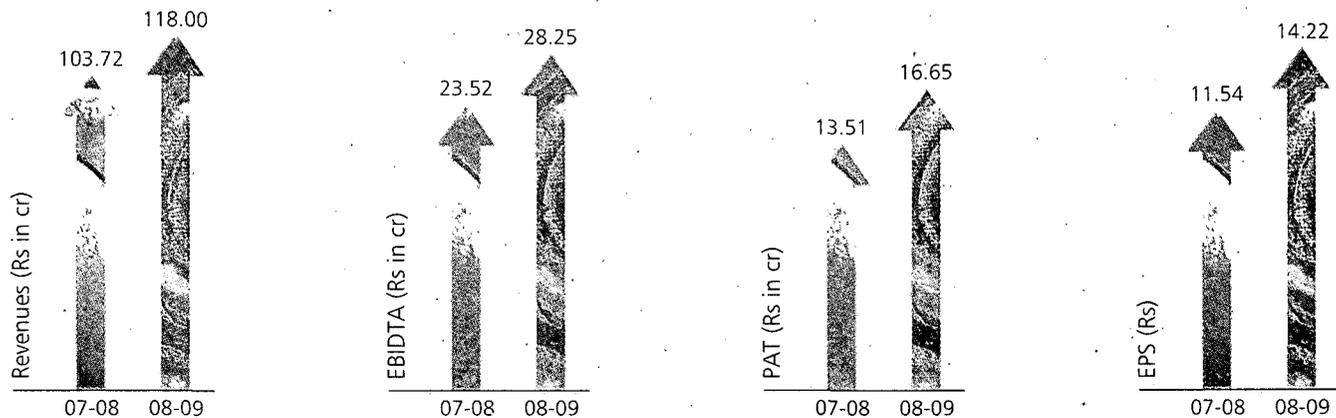
Strong financials

The Company generated a 19.12% return-on-average-capital employed in 2008-09 with an attractive debt-equity ratio of 0.29.

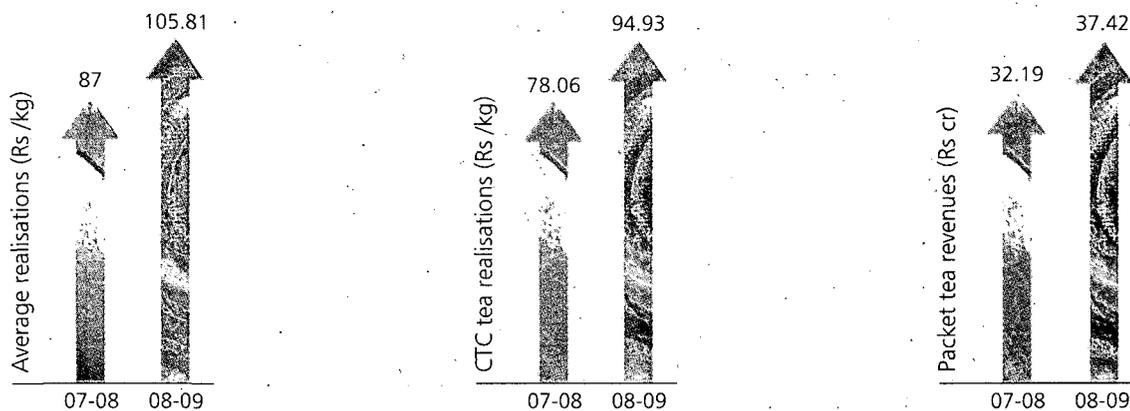


Looking back at 2008-09

Financial growth

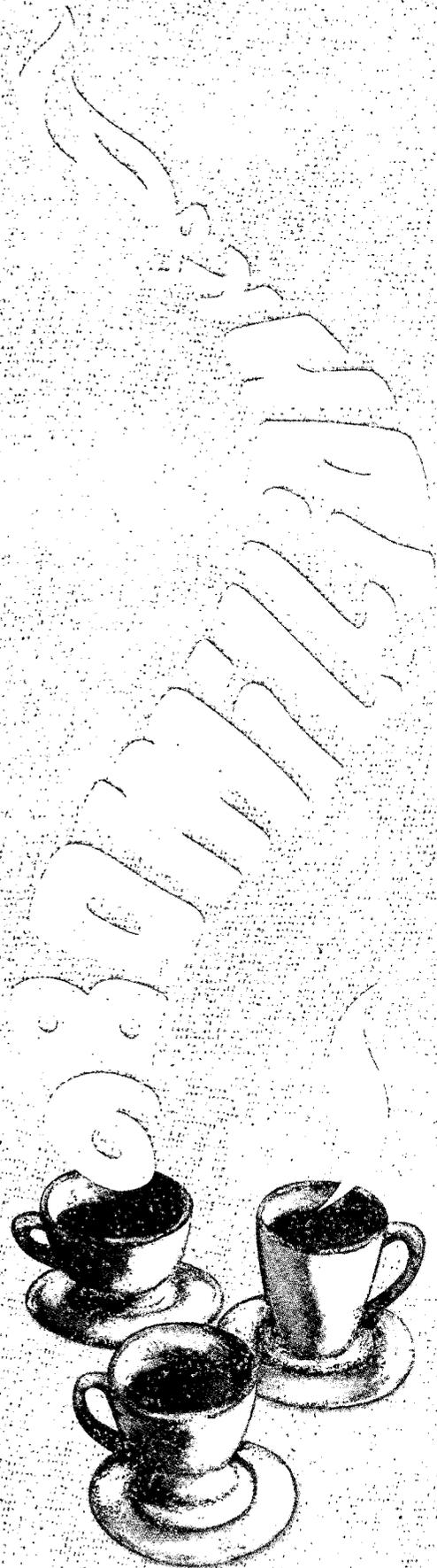


Marketing achievements



Other initiatives

- ▶ Invested in driers and CTC machines
- ▶ Achieved 100% irrigation across pruned and unpruned sections in all north-bank gardens. Strengthened marketing for existing brands in Rajasthan
- ▶ Increased advertisements in the electronic media
- ▶ The foundation stone of the Bantala SEZ was laid by the Hon'ble Chief Minister, Shri Buddhadeb Bhattacharjee on 19th January, 2009



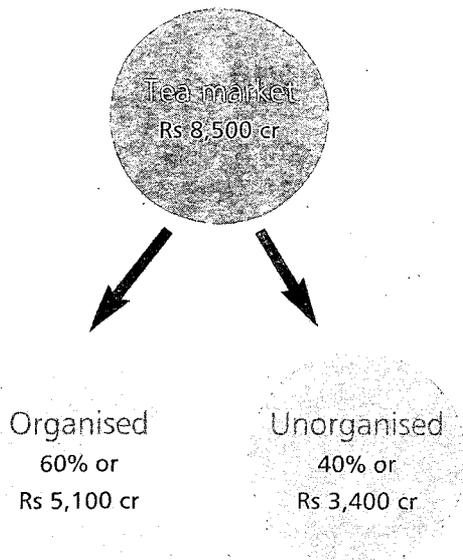
Business division

Tea

	2007-08	2008-09
Revenues (Rs cr)	103.72	118.00
PAT (Rs cr)	13.51	16.65
Production (in lac kg)	103.94	98.58
Bulk tea sales revenue (%)	65.35	64.65
Packet tea sales revenue (%)	34.65	35.35

Industry developments

Demand and supply: Tea is among the few sectors with growing long-term demand. The global tea market grew from US\$1.84 bn in 1990 to US\$7.3 bn in 2008 and is expected to double in five years. Barring the last quarter of 2008, overall tea demand increased during the year. Europe's per capita tea consumption was estimated at 25 litres (source: German Tea Association), while the UK tea market grew 2% in 2007 and 0.4% in 2008. Tea sales in the UK increased owing to greater affordability over competing beverages.



Production: India's \$1.5 bn tea industry has been in a slump since 1998, with prices and exports plummeting because of weak domestic demand and increased international competition, coupled with poor quality teas produced in the country. But 2008 was a turning point. The quality of India's tea produce improved significantly, fetching higher realisations. During the year, India's production was estimated at around 980 mn with North India accounting for more than 75% of the country's tea production. The tea gardens in Assam accounted for more than 65% of the North Indian tea production.

Drought in Assam: Owing to the dry spell, tea production in Assam declined between February and March

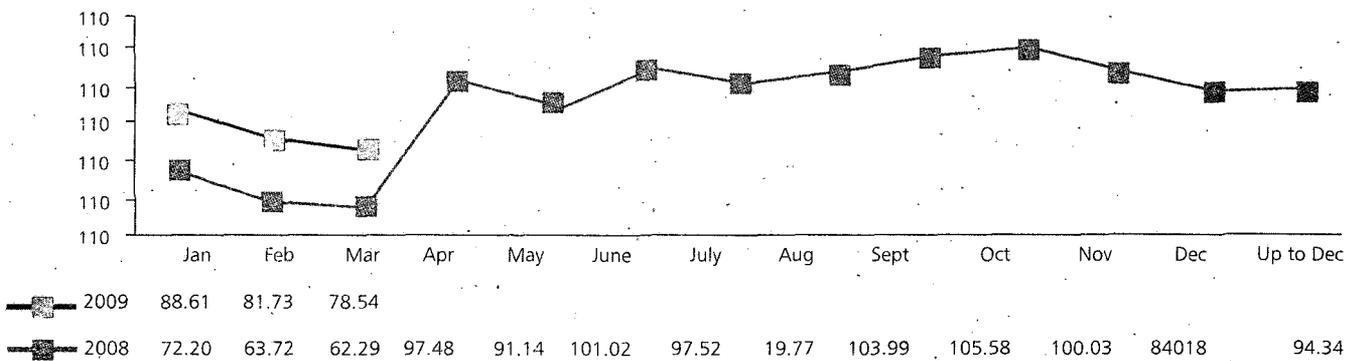
2009. The drought-like conditions and pest problems prompted tea manufacturers to protect bushes and secure production.

Consumption: India is the second largest tea consumer in the world. The country's tea demand grew 2.5–3% during 2008-09. Based on the prevailing 3.5% annual consumption growth, domestic demand is expected to rise by 35-38 mn kg. As per the survey done by ORG-Marg for the Tea Board of India, India's per capita tea consumption is 0.8 kg, far below UK's 2.5 kg, Ireland's 1.5 kg, Pakistan's 0.95 kg, along with Bangladesh and Sri Lanka's 1.2 kg.

Pricing: Owing to a lower global production, realisations strengthened 15% per cent – from Rs 101.26 in 2007 to Rs 116.39 in 2008. Average auction prices increased 10% in the last nine months of 2008 when compared to auction averages of the previous season. Auction prices in the North Indian auction markets reached a high of Rs 105.58 in 2008-09, compared to a high of Rs 81.82 in 2007-08.

Exports: India exported 1, 83,987 thousand kg of tea in 2008-09 as against 1, 85,322 thousand kg in 2007-08, a 0.7% decline. In value terms, exports increased 18% from Rs 1,888 cr in 2007-08 to Rs 2,227 cr in 2008-09 as average export prices strengthened from Rs 101.91 per kg in 2007-08 to Rs 123.64 per kg in 2008-09. The average export price of North Indian tea strengthened from Rs 117.22 in 2007-08 to Rs 146.18 in 2008-09. The tea exports were primarily dominated by loose BT tea, a widely used variety, which accounted for 72% of exports in volume terms and 67% in value terms.

Monthly prices of all tea at North Indian auctions



(Source: Tea Board of India)

Advantages of Assam tea

Domestic production:

980 mn kg

Domestic consumption:

785 mn kg

[Source: *The Financial Express*,

14th April, 2009

Quality output: Tea estates in Assam produce first flush and second flush tea, the former with a rich refreshing aroma and the latter with a sweet and smooth feeling.

Favourable geography: The Assam valley is dominated by the Brahmaputra river, which deposits a rich loamy soil ideal for tea production.

Favourable climate: The climate of Assam varies between a cool, arid winter and a hot, humid rainy season, ideal for tea production. The prolonged growing season and generous rainfall has made Assam one of the most prolific tea-producing regions in the world.

Variety: The region produces distinctive black teas with smaller quantities of green and white teas with distinctive characteristics.

Countries	2008-09	2007-08	% increase/ shortfall over last year
	April to December	April to December (Final)	
Russian Federation	25.74	31.23	(17.58)
Kazakhstan	7.51	7.19	4.45
Ukraine	1.22	1.12	8.93
United Kingdom	15.85	15.83	0.13
Germany	3.40	4.94	(31.17)
Poland	2.33	3.39	(31.27)
U.S.A.	6.35	7.47	(14.59)
U.A.E.	14.20	17.29	(17.87)
Iran	11.79	10.13	10.39
Iraq	6.53	0.04	16225.00
A.R.E. (Egypt)	11.34	4.05	179.31
Afghanistan	9.01	5.08	77.36
Sri Lanka	3.88	3.12	23.72
Kenya	1.19	2.41	(50.60)
Japan	2.15	1.94	10.82
Pakistan	5.84	3.55	59.56
Other countries	16.76	15.48	8.20
TOTAL	145.09	134.30	7.97

(Source: Tea Board of India)

There was a decline in global production, especially in Kenya and Sri Lanka. As a result, India could leverage overseas demand from Pakistan, Egypt, Iran, Iraq and the Middle East. Kenya also imported from India to meet export obligations. Exports to Egypt increased significantly from 4.06 mn kg in 2007-08 to 11.34 mn kg in 2008-09. Exports to Iraq and Iran increased to 6.53 mn kg and 11.79 mn kg. Exports to Russia declined 5.49 mn kg, while orders from Kazakhstan increased 0.32 mn kg. Drought-like conditions in these producing countries worked in favour of Indian exports.

Months	Qty (Th Kgs)	North India Value (Th. Rs)	U.P. (RS/kg)
April 2008	5,012	645,783	128.85
May 2008	3,570	497,078	139.24
June 2008	5,798	816,004	140.74
July 2008	8,949	1,360,264	152.00
August 2008	10,955	1,468,769	133.95
September 2008	8,500	1,147,500	135.00
October 2008	8,991	1,269,228	140.05
November 2008	12,917	1,918,277	148.50
December 2008	12,201	2,230,643	168.98
January 2009	5,201	796,877	153.60
February 2009	6,318	932,117	147.53
March 2009	8,421	1,227,753	145.80
April to March 2009	97,483	14,302,243	146.18

(Source: Tea Board of India)

How recession benefits the tea industry

According to commodity experts, people stay more at home during recessions and drink more tea. Besides, the recent surge in coffee prices has catalysed tea offtake.

10 reasons for a tryst with tea

- ▶ Lowers the risk of heart diseases and fights bad cholesterol
- ▶ Theanine, an amino acid found in tea, reduces the risk of infection
- ▶ Catechins in tea reduce swelling and slow cartilage breakdown
- ▶ Tea fights cancer, keeps cells healthy and inhibits enzymes that speed up carcinogens
- ▶ Flavanoids in tea help increase mineral densities and strengthen bones
- ▶ Fluoride in tea kills bacteria, controlling bad breath and preventing plaque formation
- ▶ Caffeine in tea stimulates the brain through enhanced oxygen inflow
- ▶ Increases the body's metabolism, keeping body weight under control
- ▶ Satisfies the body's water requirements (two-to-three cups of tea daily)
- ▶ Affordable beverage

Corporate developments, 2008-09

- ▶ Produced 9.9 mn kg in 2008-09 (12.82% orthodox and 87.18% CTC)
- ▶ Achieved Rs 105.81 per kg average realisation in 2008-09 as against Rs 87 per kg in 2007-08
- ▶ Sold about 39.08% tea through auctions
- ▶ Advertised brands through the electronic media

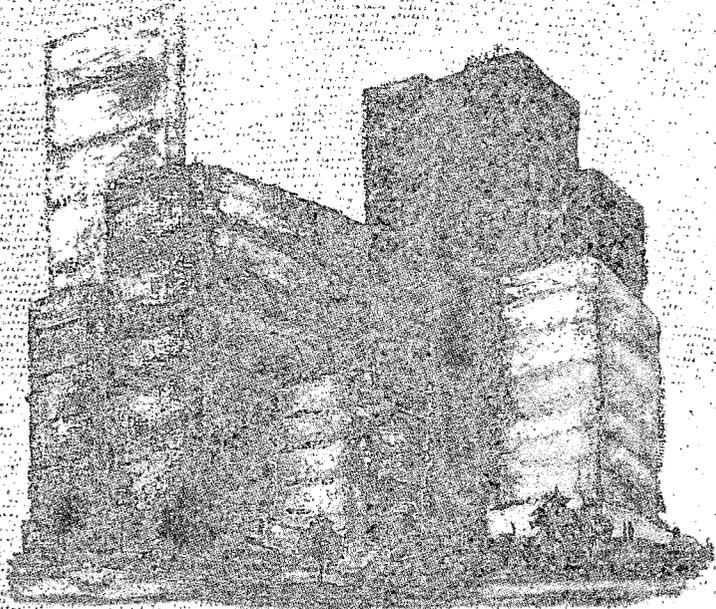
Outlook

The Company will focus on increasing orthodox tea output by about 15% in 2009-10, while wider irrigation coverage and disciplined garden practices will protect quality.

Business division

IT SEZ

Dhunseri IT Park



Name
Dhunseri IT Park

Location
Bantala, south-eastern
fringes of Kolkata

Built-up area
7.19 lac sq. ft

Number of phases
Two (twin tower)

Commencement of phase I
November 2009

Area under construction for phase I
3.60 lac sq. ft

Completion of phase I
October 2011

Dhunseri Tea proposes to set up an IT complex in the IT and ITES, Special Economic Zone at Bantala on the south-eastern fringes of Kolkata. The initiative is undertaken with an objective to diversify and enhance the Company's revenues. The Company proposes to build in two phases, across an area of 7.19 lac sq. ft on a total six-acre plot.

Prominent features of the Dhunseri IT Park

Location: The SEZ is strategically located in Bantala, which is considered as an emerging IT destination by the

Government of West Bengal. The area is also gaining popularity because of its SEZ character.

Phase-wise construction: The construction of the first phase is likely to commence from November 2009 and is expected to be completed within two years.

Architecture: An architect of international repute has been appointed for the design of the IT complex to lend a global look and feel.

Co-developer status: The Company has acquired the co-



DHUNSERI TEA & INDUSTRIES LIMITED

4A, Woodburn Park, Kolkata - 700020

ATTENDANCE SLIP

Ledger Folio No. D. P. ID.*

No. of Shares held Client ID*

1. Full name of Member/Proxy

2. If Proxy, full name of member

I certify that I am a member/proxy for the member of the Company.
I hereby record my presence at the Ninety-third Annual General Meeting of the Company being held at 'Kala Kunj',
48, Shakespeare Sarani, Kolkata 700017 on Thursday, 27th August, 2009 at 11.45 a.m.

.....
Member's/Proxy's name in block letters

.....
Member's/Proxy's signature

Notes :

- 1. Please sign this attendance slip and hand it over at the counter at the ENTRANCE OF THE MEETING HALL.
- 2. THIS ATTENDANCE SLIP IS VALID ONLY IN CASE SHARES ARE HELD ON DATE OF MEETING.

* Applicable for Members holding shares in dematerialised form.



DHUNSERI TEA & INDUSTRIES LIMITED

4A, Woodburn Park, Kolkata - 700020

PROXY

Ledger Folio No. D. P. ID.*

No. of Shares held Client ID*

I/WE of

(write full address)

..... being a member/members of DHUNSERI TEA & INDUSTRIES LTD. hereby appoint

..... of

(write full address)

or failing him/her of

..... as my/our proxy to attend and vote for me/us and on my/our behalf on the Ninety-third Annual General Meeting of the Company to be held on Thursday, 27th August, 2009 and any adjournment thereof.

As WITNESS my/our hand(s) this day of 2009.

Signed by the said



Notes :

- 1. The Proxy need NOT be a member.
- 2. The Proxy Form signed across revenue stamp should reach the Company's Registered Office atleast 48 hours before the scheduled time of meeting.
- 3. Please fill in full particulars.
- 4. Company reserves the right to ask for identification of the proxy.
- 5. Proxy cannot speak at the meeting.

* Applicable for Members holding shares in dematerialised form.

developer status from the Board of Approval with tax incentives as specified in the SEZ Act.

Green initiatives: The Company will construct energy efficient 'green' buildings with ample greenery in the surroundings.

Secured cash flows: The Company will benefit from annuity rentals, a fixed and secured form of income, derisking from the dependence on the cyclical tea business.

Services offerings

- ▶ Round-the-clock power availability
- ▶ 100% power back-up through DG sets
- ▶ Hi-tech Intelligent Building Management System (IBMS)
- ▶ Fire safety and protection system as per international standards
- ▶ CCTV camera installation for 24x7 vigilance
- ▶ Large underground reservoirs as per NBC code
- ▶ Car parking facility to accommodate 750 cars
- ▶ Add-on services like internet cafes, book shops, medical shops, gift shops and ATMs

Most IT and BPO companies in India prefer SEZs because fiscal incentives offered to STPIs are likely to end soon.

West Bengal – an emerging IT hub

McKinsey & Company helped West Bengal draw up a roadmap for IT success. The state aims to figure among the three leading IT states in India and a premier IT destination by 2010, accounting for 15-20% of the country's total IT and ITeS revenues. The state's IT and ITeS sector is growing at 71% against the national growth rate of 36%.

Taking into account the non-labour and labour related costs, West Bengal tops cost competitiveness with a clear 12% advantage. Low costs, sound infrastructure and rich human resources have encouraged the emergence of new satellite IT destinations in Siliguri, Durgapur, Kharagpur and Haldia.

Developments in 2008-09

- ▶ The Company concluded a financial tie-up with the State Bank of India (SBI) for its proposed IT park
- ▶ The foundation stone was laid by the West Bengal Chief Minister Shri Buddhadeb Bhattacharjee on 19th January, 2009

Overview of SAPL

Business overview

Headquartered in Kolkata, SAPL, a subsidiary of Dhunseri Tea & Industries Ltd., is a 100% export-oriented unit. Its 200,000-TPA completely automated PET resin plant (state-of-the-art technology from Zimmer AG of Germany) is spread across 35 acres in Haldia. It is among the most modern PET resin manufacturing plants in the world. Its product range, comprising the finest bottle grade, sheet grade and jar grade PET resin, finds applications in the packaging of mineral water, carbonated soft drinks, edible oil, cosmetics, toiletries, beer, milk, hot-fill drinks and juices.

Developments, 2008-09

In 2008-09, the global PET resin market grew 3%, while global PET resin plants operated at around 70% capacity.

The Company operated at a near 100% capacity, despite the depreciating rupee, fluctuating oil prices, increasing raw material costs and demand slowdown. Despite a 10-day planned shutdown, the Company achieved a production of 192,000 TPA in 2008-09 and an increase in sales and cash profit over 2007-08 (without considering forex loss/gain on term loans). It strengthened its core competence through better inventory management, energy conservation and enhanced productivity, declining production cost per unit. In order to insulate itself from any further spillover effect of the adverse economic environment, the Company planned the following initiatives:

- ▶ Installation of an 8-MW coal-fired captive power plant, which will use low F-grade coal, reducing power cost
- ▶ Replacement of power-driven pneumatic conveyors used for transferring PTA from bags to storage/feeding silos with a mechanical conveyor, further lowering power cost



- ▶ Substitution of polymerisation catalyst antimony triacetate with antimony trioxide, reducing production cost without compromise quality
- ▶ Reduction of finished product inventory to strengthen the cash flow
- ▶ Strengthened product portfolio and customer presence through the introduction of a wider product range

In 2006-07, the Company decided to extend its footprint beyond India through a 900-TPD greenfield project in Egypt to cater to the under-penetrated North African and European markets. The project achieved financial closure and received clearances from the Egyptian Government, Egyptian Environment Accreditation Agency (EAAA) and local port authorities. But in 2008-09, due to a difference of opinion between the Ministry of Transport and the Ministry of Petroleum, the Company was not given possession of the land, which was earlier allotted to it. The Company accelerated project planning and resolved the problem by relocating itself. It identified new land at Port Said and

decided to increase the proposed capacity from 900 TPD to 1,200 TPD. The project will enjoy the following locational benefits:

- ▶ Proximity to the port (5 kms), enabling quicker raw material import and finished goods delivery to the European market within 48 hours and the US markets within one week
- ▶ Substantially lower power cost as compared with India
- ▶ A free-zone status and other trade incentives

Outlook

The Company projects a stable topline and improved bottomline owing to cost reduction initiatives and a double digit growth in the Indian PET industry, considerably higher than the average global growth rate. Increasing demand from major PET consumers – the US and Europe – is expected to provide deeper penetration opportunities. The Company expects to commission its coal-based power plant by the first quarter of 2010, the benefits of which will be evident by 2011-12.

Human resources – our excellence driver

The Company employs about 6,000 workers in its tea gardens. It employs temporary labourers during the peak plucking season. The Company did not encounter any labour-related problems during the year. Dhunseri's worker productivity is mapped through a robust management information system. The Company provides basic amenities to workers including education for their children, scholarship for agricultural studies, housing facilities, aprons, blankets and regular medical check-ups, among others.



Financial review

Accounting policy

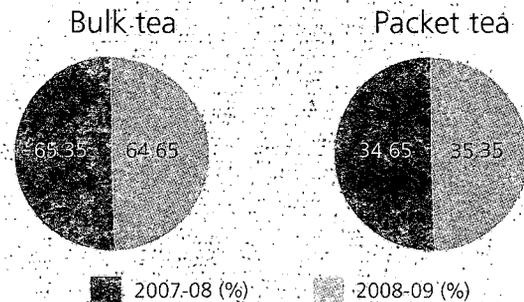
The Company prepares its accounts on historical cost basis and on the accounting principles of a going concern. The accounting policies, not specifically referred to otherwise, are consistent and in consonance with GAAP. Applicable Accounting Standards specified by the ICAI are followed unless otherwise stated.

Revenues (Rs cr)		EBIDTA (Rs cr)			
2007-08	2008-09	2007-08	2008-09		
103.72	118	23.52	28.25		
14% growth		20% growth			
PBT (Rs cr)		PAT (Rs cr)		EPS (Rs)	
2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
14.02	21.64	13.51	16.65	11.54	14.22
54% growth		23% growth		23% growth	

Revenues

The Company's revenues grew 14% from Rs 103.72 cr in 2007-08 to Rs 118 cr in 2008-09. Despite a decline in sales volume from 10.6 mn kg in 2007-08 to 10 mn kg in 2008-09, revenues increased on account of increased realisations. The realisations per kg went up 21.62% from Rs 87 per kg in 2007-08 to Rs 105.81 per kg in 2008-09. The Company continued strengthening its revenues from brand sales and maintained its leadership in Rajasthan. Following is the break-up of revenue contribution from bulk tea and packet tea sales:

Other income, comprising dividend on investments, profit on sale of assets, rents and other miscellaneous incomes, declined



8.77% over 2008-09. Its proportion to total revenues declined from 12.70% to 10.26%, indicating an increase in revenues from the Company's core business.

Costs

Total costs (excluding interest, depreciation and tax) increased by 11.91% over the previous year. However, as a percentage of total income, they declined by 125 bps.

Margins

The Company registered improved profitability at operating and net levels which resulted in margin improvement. EBITDA margin strengthened by 126 bps from 22.68% in 2007-08 to 23.94% in 2008-09. Net margin improved from 13.03% in 2007-08 to 14.11% in 2008-09.

Funds

Equity capital: The equity capital was maintained at Rs 11.71 cr with no equity dilution during 2008-09. It comprised 11,710,895 fully paid-up equity shares of Rs 10 each. Of the total equity capital, the promoters held 75% as on 31st March, 2009.

Reserves: Reserves represent zero-cost funds that can be deployed for funding capital-intensive ventures. They increased 11.69% from Rs 117.45 cr to Rs 131.18 cr in 2008-09. The net addition to reserves was on account of profits earned during the year. The Company ploughed back Rs 15 cr to its reserves. Of total reserves, 94.66% comprised free reserves. The Company reported a return-on-average net worth of 12.24% in 2008-09 (13.20% in 2007-08).

Loan funds: The reliance on external funds declined 16.92% from Rs 49.56 cr in 2007-08 to Rs 41.17 cr in 2008-09 on account of loan repayment. As a result of the pay-off, the debt-equity ratio strengthened from 0.38 in 2007-08 to 0.29 in 2008-09.

Gross block

The gross block comprises land, building and plant and machinery, among others. During 2008-09, the gross block increased 10.1% to Rs 8.99 cr due to the addition of new machinery with advanced technology. The Company provided depreciation on Straight-Line Method at the rates specified in Schedule XIV of the Companies Act, 1956. The cumulative

depreciation, as a percentage of total gross block, declined from 48.53% in 2007-08 to 43.53% in 2008-09, indicating the newness of the asset owing to addition. During 2008-09, the Company's capital work-in-progress stood at Rs 55.83 lac on account of addition to fixed assets

Working capital

Inventory: Inventory constituted 31% of current assets as on 31st March, 2009. Its value increased 16.73% from Rs 10.93 cr as on 31st March, 2008 to Rs 12.76 cr as on 31st March, 2009 as a result of accumulation of stock of fuel and chemicals and manures as well as packing materials. The Company continued to maintain its inventory cycle at 40 days of turnover equivalent.

Debtors: Debtors constituted 26% of the current assets as on 31st March, 2009. Sundry debtors increased 2.63% – from Rs 10.46 cr as on 31st March, 2008 to Rs 10.73 cr as on 31st March, 2009 – against a topline increase of more than 13% in 2008-09. The Company strictly monitored the receivables, which resulted in less than 2% of debtors being more than six months old. It maintained its debtors' cycle at 35 days of turnover equivalent.

Creditors: Creditors increased from Rs 4.06 cr as on 31st March, 2008 to Rs 4.49 cr as on 31st March, 2009, consequent to a growth in business activity. The creditors' cycle is limited to a maximum of 60 days, which the Company meets comfortably.

Debt-equity ratio



Risk management

Dhunseri's integrated risk management framework aims to identify and mitigate the following business risks.

Industry risk

A downward trend in the tea industry could affect business prospects.

Response: The tea industry registered a credible performance in 2008-09. Lower tea production worldwide resulted in about a 20% increase in tea prices, benefiting the Company's business. Tea prices are expected to rise further in 2009-10.

Dependence risk

An over-dependence on a single business line could lead to revenue loss.

Response: The Company entered the IT-SEZ promotion with the prospect of stable rentals. It acquired a majority stake in SAPL, a Group company, to capitalise on a growing PET resin market. These initiatives helped the Company derisk from an excessive dependence on the tea business.

Quality risk

Inconsistent tea quality can dent reputation and market share.

Response: Over the years, the Company maintained or improved quality, practising 34 rounds of plucking against an industry standard of 30. This initiative helped the Company realise superior realisations over the market average.

Technology risk

Outdated pruning technology may increase process time and cost.

Response: The Company invested in technology enhancement. During 2008-09, it installed the latest drier and upgraded CTC machines, lowering process time and power-fuel costs.

Marketing risk

Inadequate marketing can affect revenues.

Response: The Company branded its products based on market realities. In 2008-09, it derived about 35% of revenues from the sale of branded products. The Company successfully marketed its brands ('Lal Ghora' and 'Kala Ghora') in Rajasthan.

Pest risk

Pest management, which can directly affect productivity, is a major challenge.

Response: The Company enforces a rigorous garden discipline. So even as tea gardens in Assam were affected by pests resulting in a 13.5% crop loss, loss in Dhunseri's tea gardens was only marginal.

Climatic risk

Adverse climatic conditions could hamper tea production.

Response: The Company countered the drought through 100% irrigation across its tea estates in the north bank, ensuring sufficient water supply for bush growth.

Notice

NOTICE is hereby given that the Ninety-third Annual General Meeting of the Members of DHUNSERI TEA & INDUSTRIES LIMITED will be held on Thursday, the 27th day of August, 2009 at 'Kala Kunj', Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata 700017 at 11.45 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Profit & Loss account for the year ended 31st March, 2009, the Balance Sheet as at that date and the Reports of the Directors' and Auditors' thereon together with the Consolidated Accounts for the year ended 31st March, 2009 and the Auditors' Report thereon.
2. To declare a dividend.
3. To elect a Director in place of Sri Purshottam Lal Agarwal who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in place of Sri Mrigank Dhanuka who retires by rotation and being eligible offers himself for re-appointment.

5. To elect a Director in place of Sri Sitaram Daga who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

Special Business:

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Sections 198, 309, 310, and other applicable provisions including any amendments thereof, read with Schedule XIII of the Companies Act, 1956 as amended upto date, approval be and is hereby granted to the revision in the remuneration of Sri C.K. Dhanuka, Managing Director & CEO of the Company with effect from 1st June, 2009 for the balance period of his current tenure i.e. upto 31st December, 2009 as per the terms and conditions set out in the draft agreement to be entered into between the Company and Sri C.K. Dhanuka, the material terms of which are set out in the Explanatory Statement to this notice, and which Agreement is submitted to this meeting for its approval and for the purpose of identification has been initialed by the Chairman of the Meeting."

Registered Office:
'Dhunseri House'
4A, Woodburn Park
Kolkata-700020
20th June, 2009

By Order of the Board

R.Mahadevan
Secretary

Notes:

- i) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
- ii) **A MEMBER ENTITLED TO ATTEND AND VOTE MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A Proxy may be sent in the form enclosed and in order to be effective must reach the registered office of the company at least 48 hours before the meeting.
- iii) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 21st August, 2009 to Thursday, 27th August, 2009 both days inclusive.
- iv) The dividend as recommended by the Board, if approved by the shareholders will be payable to those shareholders whose names appear on the Register of Members of the Company as on 27th August, 2009.
- v) The dividend in respect of shares held in the electronic form will be payable to the beneficial owners of shares as on the closing hours of business on 20th August, 2009 as per details furnished by the National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.

The said beneficial owners are requested to intimate to their Depository Participant (DP) all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the members.

- vi) The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
- vii) Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days prior to the meeting so as to enable the management to keep the information ready.
- viii) Members are requested to bring their copies of Annual Report to the meeting.
- ix) Under Section 205A(5) of the Companies Act, 1956 the amount of dividend remaining unclaimed for a period of seven years shall be transferred to Investor Education and Protection Fund (IEPF). Accordingly, the unclaimed dividend(s) for the relevant year(s) on becoming due for transfer, will be duly transferred to the said fund.

No claim shall lie against the Company or the said fund in respect of individual amounts which remain unclaimed and unpaid for a period of seven years from the date of payment and no payment shall be made in respect of any such claims.

Members are requested to send unclaimed /unpaid dividend warrants, if any, for the years 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 to the Registered Office of the Company at their earliest, for payment in lieu thereof.

(i) Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

Item No.7

Sri C. K. Dhanuka was reappointed as Managing Director & CEO of the Company, for a period of 5 years, with effect from 1st January, 2005, by the Members of the Company at the Annual General Meeting held on 29th July, 2005.

The Board of Directors of the Company at its meeting held on 27th May, 2009, approved on the recommendation of the Remuneration Committee, subject to the approval of the Members of the Company, modification in the terms of remuneration of the Managing Director & CEO, with effect from 1st June, 2009, for the residual period of his tenure of reappointment i.e. from 1st June, 2009 till 31st December, 2009, as follows:-

Perquisites:

Housing: i) Rent free furnished accommodation in lieu of House Rent Allowance w.e.f. 1st June, 2009.

ii) The expenditure on Gas, Electricity, Water, Furnishings and other utilities to be borne / reimbursed by the Company, shall be evaluated as per the provisions of the Income Tax Act, 1962 and in the absence of any such provisions, the perquisites shall be evaluated at actual cost.

All the other terms and conditions of Sri C.K.Dhanuka's existing remuneration structure to remain unchanged.

The remuneration payable to Sri C.K. Dhanuka as contained in the draft agreement to be entered into between Sri C.K. Dhanuka and the Company is within the limits prescribed in Schedule XIII of the Companies Act, 1956.

Brief Profile of Sri C. K. Dhanuka (as per requirement of clause 49 of the Listing Agreement)

Sri C.K. Dhanuka (55) is a Commerce Graduate having over 30 years of experience in production of tea as well as its tasting, grading and blending.

He is presently the Chairman of FICCI, Eastern Regional Council and also an Executive Committee Member of FICCI, New Delhi.

He is the Ex President of All India Organisation of Employers.

He is Ex Deputy Chairman of the Tea Board.

He is Ex-Chairman of Indian Tea Association.

He is on the Board of several companies as detailed below:-

a) South Asian Petrochem Ltd.	Vice Chairman
b) Plenty Valley Intra Ltd.	Chairman
c) Mint Investments Ltd.	Chairman
d) Naga Dhunseri Group Ltd.	Chairman
e) Trimplex Investments (Pvt.) Ltd.	Chairman
f) Madhuting Tea (Pvt.) Ltd.	Chairman
g) Jatayu Estates Pvt. Ltd. (formerly Lehman Finance Pvt. Ltd.)	Chairman
h) ABC Tea Workers Welfare Services	Director
i) Belvedere Properties (P) Ltd.	Chairman
j) Dhunseri Polycarbonate Ltd.	Director
k) Egyptian Indian Polyester Company SAE	Director

He is a member of various committees as given below:

South Asian Petrochem Ltd.	Audit Committee
	Remuneration Committee
	Shareholders Grievance Committee

Sri C.K. Dhanuka holds 55500 shares of the Company.

The Board recommends the passing of the said resolution by the members.

The draft Agreement referred to above will be open for inspection by the members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday.

Memorandum of Interest:

Except Sri C.K. Dhanuka and his relatives Sri Mrigank Dhanuka and Sri Haigreave Khaitan who may be deemed to be concerned or interested in the said resolution, no other Director of the Company is, in anyway, concerned or interested in the same.

(II) Details of Sri Purshottam Lal Agarwal, Sri Mrigank Dhanuka and Sri Sitaram Daga as Required under Clause 49 of The Listing Agreement:

- Sri Purshottam Lal Agarwal (67) is an eminent lawyer. He is a Bachelor of Commerce as well as Bachelor of Law and also an Attorney-at-Law. He is having experience of more than four decades in the field of law and his areas of expertise includes Commercial, Corporate Law, Real Estate and Intellectual Property. He has been practising as an Advocate since 1965.

He is a partner of M/s.Khaitan & Co., Kolkata, Mumbai, New Delhi and Bangalore and also of Khaitan & Co., AOR New Delhi.

He is on the Board of several companies as detailed below:-

- a) Albert David Ltd.
- b) Dharampal Premchand Ltd.
- c) DIC India Ltd.
- d) Karamchand Thapar & Bros. (Coal Sales) Ltd.
- e) Rossell Tea Ltd.
- f) The Oodlabari Co. Ltd.
- g) United Credit Belani Properties Ltd.
- h) Cookson India Pvt. Ltd.

He is a member of various committees as given below:

- | | |
|-----------------------------|---|
| i) Albert David Ltd. | Remuneration Committee |
| | Share Transfer Committee |
| ii) Rossell Tea Ltd. | Remuneration Committee |
| iii) The Oodlabari Co. Ltd. | Remuneration Committee |
| iv) DIC India Ltd. | Shareholders / Investors
Grievance Committee |

He does not hold any shares of the Company.

Sri. P.L.Agarwal is not related to any other director of the Company as per Section 6 of the Companies Act, 1956.

- ii) **Sri Mrigank Dhanuka** (28) is a B.Com (Hons) Graduate. He had his initial training in tea tasting, grading and blending. He is actively involved with all the companies of the Group and has acquired considerable experience in the day to day administration of the business.

He is an Executive Director of M/s. South Asian Petrochem Ltd.

and also holds directorship of the following companies:

- a) South Asian Petrochem Ltd
- b) Naga Dhunseri Group Ltd.
- c) Mint Investments Ltd.
- d) Madhuting Tea Pvt. Ltd.
- e) Trimplex Investments(P) Ltd.
- f) Belvedere Properties Pvt. Ltd.
- g) Dhunseri Polycarbonate Ltd.
- h) Egyptian Indian Polyester Company SAE

Sri Mrigank Dhanuka hold 135911 shares of the company.

Sri Mrigank Dhanuka is related to Sri. C.K.Dhanuka, Chairman & Managing Director and to Sri. Haigreve Khaitan, Director, of the Company as per Section 6 of the Companies Act, 1956.

- iii) **Sri Sitaram Daga** (85) is the senior most member of the Board of Directors of the Company having joined the Board in the year 1955. His association with the Tea Industry is for more than six decades and his valuable suggestions and opinions as well as active participation at the Board and Committee meetings have been greatly beneficial to the company.

He holds directorship of the following companies:

- a) Sublime Agro Ltd.
- b) Hind Hosiery Mills Pvt. Ltd.
- c) Amaravati Tea Co. Ltd.
- d) Assam Roofing Ltd.

He is also the Chairman of the Audit Committee of M/s. Sublime Agro Ltd.

Sri Sitaram Daga holds 1000 shares in the company.

Sri. Sitaram Daga is not related to any other director of the Company as per Section 6 of the Companies Act, 1956.

By Order of the Board

R.Mahadevan
Secretary

Kolkata
20th June, 2009

Directors' Report

Dear Shareholders,

We have pleasure in presenting our ninety-third Annual Report together with the audited accounts, for the year ended 31st March 2009.

Financial results

	For the year ended 31.03.2009 (Rs in lac)	For the year ended 31.03.2008 (Rs in lac)
Gross profit	2422.70	1678.99
Less: Depreciation (Net)	258.90	276.49
Provision for taxation (Net)	498.25	51.46
Net profit for the year	1665.55	1351.04
Add: Balance brought forward	976.35	610.65
	2641.90	1961.69
Less: Balance added pursuant to scheme of amalgamation	—	(251.12)
The Directors recommend this amount to be appropriated as under:	2641.90	1710.57
Transfer to general reserve	1500.00	500.00
Proposed dividend	292.77	234.22
Tax on dividend	—	—
Balance carried forward	849.13	976.35

Dividend

The Directors recommend a dividend of Rs 2.50 per equity share i.e @ 25% for the year ended 31st March 2009.

Operations

The total tea manufacturing and sales for the year under review was 9.9 and 10.0 mn kg. as against 10.4 and 10.6 mn kg, respectively in the previous year. The production for the year under review was less due to adverse weather conditions. Although, the sales in terms of volume were also less in

comparison to the previous year, it was offset by better sales realisation during the year resulting in higher turnover.

The Company's existing brands viz. LAL GHORA and KALA GHORA, continues to retain their position as market leader in the State of Rajasthan. To further consolidate this position, certain initiatives being undertaken are expected to enhance the market share for packet teas of your Company.

The demand for orthodox tea continues to rise. The programme for uprooting and replanting with quality clones is continuing in a phased manner. The programme for

modification and extension of the existing manufacturing facilities, as well as the setting up of new facilities for manufacture of orthodox tea have been implemented and is expected to be beneficial for your Company. During the year, upgrading of machineries at some of the tea factories were undertaken, for achieving quality improvement as well as increased output.

The Company continues to focus on improving the yield for achieving higher productivity with resultant reduction in production cost. It is also constantly monitoring the adoption of cost control as well as quality up gradation measures which will enable your company to sustain its growth and profitability over the coming years.

Madhuting Tea Pvt. Limited

The annual production of tea of Madhuting Tea Pvt. Ltd., (in which the Company holds 50% of its paid-up capital), was 9.82 lac kg, entirely comprising orthodox tea, in comparison to 10.17 lac kg. in the previous year. The programme for extension of the plantation area undertaken by the Company was completed during the year. The realizations during the year were better in comparison to the previous year.

Amalgamation of UNI Stock Private Limited

As per the scheme of amalgamation of UNI Stock Private Limited with the Company, sanctioned by the Hon'ble High Court at Calcutta by an order passed on 3rd September 2008, the Board had allotted 3795054 equity shares of Rs 10 each fully paid-up on 24th November, 2008 to the erstwhile member of the amalgamated company.

With this allotment the issued and paid-up capital of the Company increased from Rs 7,92,39,410 to Rs 11,71,89,950, comprising of 1,17,10,895 equity shares of Rs10 each fully paid-up and a sum of Rs 81,000 originally paid-up on forfeited equity shares.

Subsidiary Company

South Asian Petrochem Limited (SAPL), an export oriented unit promoted by your Company is engaged in manufacture

of PET Resin. In its sixth year of business relating to year ended 31st March 2009, it achieved a turnover of Rs 1,160 cr as against Rs 1,044 cr in the previous year. The Company's EBIDTA was Rs71.81 cr in 2008-09, as against Rs126.79 cr in the previous year and its PAT was Rs 15.73 cr in 2008-09 as against Rs 55.53 cr in the previous year. It was conferred with an award for being the best EOU (Non SSI Category: Plastic Products) by Export Promotion Council for EOUs & SEZs, Ministry of Commerce & Industry, Government of India for the year 2006-07.

A dividend of Re.0.40 per equity share for the year ended 31st March 2009 has been recommended for approval at the AGM being convened on 25th July 2009.

The Company has received from the Central Government exemption under Section 212 vide letter No.47/263/2009 CL-III dated 24.04.2009. Accordingly, the Audited Statements of Accounts, the Reports of the Board of Directors and Auditors of the Subsidiary Companies are not annexed. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of written request from them. These documents will also be available for inspection by any shareholder at the Registered Office of the Company on any working day during business hours.

As required under the Listing Agreement with the stock exchanges, the audited consolidated financial statements of your Company are also attached and form part of the annual report of the Company.

M/s Madhuting Tea Private Limited being an associate company since 2002, its results for the year ended 31st March 2009 have also been considered in the above Consolidated Financial Statements.

Dhunseri IT Park

This new venture of your company, is proposed to be developed on about 6 acres of land and will comprise of a twin tower with a total built-up area of about 7.19 lac sq.ft. The financial tie-up for the project has been completed and the entire project cost is envisaged to be around Rs130 cr. The work on the 1st phase of the project is likely to commence

by November, 2009 and is expected to be completed in about two years. However, the position will be reviewed in October 2009 before commencement of the project.

The foundation stone for the project was laid by the Hon'ble Chief Minister Sri. Buddhadeb Bhattacharjee on 19th January 2009.

Auditors' Report

The notes to the accounts referred to in the Auditors' Report are self-explanatory.

Particulars of employees

A statement pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is enclosed.

Particulars regarding energy etc

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are attached and form part of this report.

Directors

Sri Purshottam Lal Agarwal, Sri Mrigank Dhanuka and Sri Sitaram Daga, Directors of the Company, retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their reappointment.

The information regarding particulars of the Directors of the Company seeking reappointment is included in the explanatory statement:

Directors' responsibility statement

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

- (i) that in the preparation of the annual accounts the applicable accounting standards have been followed and no material departures have been made from the same;
- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the

financial year and of the profits for that period;

(iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that they have prepared the annual accounts on a 'going concern' basis.

Report on Corporate Governance

A separate section on Corporate Governance and Management Discussion and Analysis, together with a certificate from a practicing Company Secretary confirming compliance, is set out in the annexure forming part of this report.

Delisting from Calcutta and Guwahati Stock Exchanges

The Company's shares have been delisted from the Calcutta and Guwahati Stock Exchanges vide letter No. CSEA/UD/149/2009 dated 31.03.2009 and No. GSE/L/730/2008-09/1125 dated 09.03.2009 respectively.

Auditors

M/s. Lovelock & Lewes, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

Acknowledgement

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from the consortium of commercial banks and other authorities. Your Directors also thank the employees of the Company for their valuable service and support during the year. Your Directors also gratefully acknowledge with thanks the cooperation and support received from the shareholders of the Company.

For and on behalf of the Board of Directors

Kolkata,
20th June 2009

C.K.DHANUKA
Chairman of the Board

Annexure to the Directors' Report

Statement of Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956

Name of Employee	Age (Years)	Designation Nature of Duties	Remuneration (Rs)	Qualification	Experience (Years)	Date of commencement of employment	Last Post held	Name of previous Employer	% of Equity shares held
Dhanuka C.K.	55	Mg. Director & CEO	2651455	B.Com	34	07.02.75	—	First employment	0.47

Notes: 1. Remuneration includes value of perquisites under the Income Tax Act, 1961 and the Company's contribution to provident & superannuation funds.

2. Above appointment is contractual and the conditions of employment are governed by the rules and regulations of the Company.

3. Sri C.K. Dhanuka, Managing Director is related to Sri Mrigank Dhanuka and Sri Haigreve Khaitan, Directors of the Company.

Conservation of energy, technology absorption & foreign exchange earnings & outgo.

Pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Form A

	Current Year Ended 31.03.2009	Previous Year Ended 31.03.2008
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased Units (Lakh KWH)	47.33	55.47
Total Amount (Rs lakh)	325.90	329.82
Rate / Unit (Rs /KWH)	6.89	5.95
b) Own Generation		
i) Through Diesel Generator Units (lakh KWH)	15.59	13.99
Units per Ltr. of Diesel Oil	2.60	2.65
Cost/Unit (Rs /KWH)	13.98	12.22
ii) Through Gas Generator Units (lakh KWH)	16.58	16.38
Units per cu.m of Gas	7.35	6.33
Cost / Unit (Rs /KWH)	0.80	0.81

	Current Year Ended 31.03.2009	Previous Year Ended 31.03.2008
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2. Coal (Margherita and Khasi Coal used in tea withering & drying)

Quantity (Tonne)	6,348.63	6,270.34
Total Cost (Rs lakh)	236.40	151.50
Average Rate (Rs / Tonne)	3,723.59	2,416.08

3. Furnace Oil

Quantity (lakh Ltr.)	0.00	0.42
Total Cost (Rs lakh)	0.04	10.31
Average Rate (Rs / Ltr.)	23.67	24.68

4. Gas

Quantity (lakh Cu.m)	24.16	34.24
Total Cost (Rs lakh)	95.59	140.61
Average Rate (Rs / Cu.m)	3.96	4.11

B. CONSUMPTION PER UNIT OF PRODUCTION

Product- Tea		
Tea Produced (lakh kg.)	98.58	103.94
Electricity (KWH)	0.81	0.70
Coal (Kg.)	0.65	0.60
Gas (Cu.m)	0.25	0.33

Research and Development (R&D)

The Company has no R & D unit. It subscribes regularly to Tea Research Association which does R & D work for tea industry.

Technology absorption, adaptation and innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation: Indigenously developed technologies for the improvement of production both in field and factory were adopted, required modifications and innovations were done.

2. Benefits derived as a result of the above efforts, e.g. product improvement, import substitution, etc. Higher yield, reduction of cost of production and improvement in quality of product.

3. Imported Technology : Nil

Foreign exchange earnings and outgo

Earnings & Outgo of Foreign Exchange as detailed in Notes and in Schedule 17 to the Accounts were as under:

Foreign Exchange Earnings	Rs Nil	(Previous year Rs Nil)
Foreign Exchange Outgo	Rs 82.73 Lakh	(Previous year Rs 12.50 Lakh)

Corporate Governance

In accordance with Clause 49 of the Listing Agreement with the stock exchanges:

1. Company's philosophy

The Company believes in good Corporate Governance and emphasizes on transparency, accountability and integrity in all its dealings without compromising on any of its obligations. It seeks to focus on regulatory compliances, fair play, justice and aims at enhancement of long-term shareholder value.

The Company endeavors to improve on these aspects on an ongoing basis.

2. Board of Directors (BOARD)

a) Composition of Board

The Board comprises six Non-Executive Independent Directors, one Non-Executive/Non-Independent Director, two Non-

Executive Directors related to promoter and an Executive/Promoter Director, who is the Managing Director of the Company as well as Chairman of the Board. The number of Non-Executive Independent Directors is more than half of the total strength of the Board.

b) Attendance of each Director at the Board Meetings and at the last AGM and other directorships / committee memberships held

During the year, the Board met five times on the following dates:

29th April 2008; 30th July 2008; 30th September 2008; 31st October 2008 and 28th January 2009.

The attendance and number of other directorship/committee membership of each Director is given below:

Name of Director	Category	No. of Board meetings attended	Whether attended last AGM on 28.11.08	No. of Directorships in other Public Companies	@Other Committee Memberships	Chairman
Sri P.L. Agarwal	Non-Executive Independent	5	Yes	7	-	1
Sri B. Bajoria	Non-Executive Independent	5	No	7	2	-
Sri B.D. Beriwala	Non-Executive Independent	5	Yes	3	-	-
Sri B.K. Biyani	Non-Executive/ Non-Independent	4	Yes	4	-	-
Sri S.R. Daga	Non-Executive Independent	5	No	3	-	1
Sri R.N. Deogun	Non-Executive Independent	4	Yes	2	1	-
Sri C.K. Dhanuka	Executive Director/Promoter	5	Yes	5	2	-
Sri Mrigank Dhanuka	Non-Executive/Promoter Relative	4	Yes	4	-	-
Sri Haigreve. Khaitan	Non-Executive/Promoter Relative	2	No	14	8	-
Sri A.K. Lohia	Non-Executive Independent	2	No	2	-	-

* Excluding directorship in Indian Private Limited Companies, Foreign Companies Alternate directorships and Section 25 Companies.

@ Only the membership/chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.

c) Remuneration of Directors, sitting fees, salary, perquisites and commissions

Details of remuneration paid/payable to Directors:

(in Rupees)

Name of Director	Sitting fees		Salaries and perquisites	Commission	Total
	Board Meeting	Committee Meeting			
Sri P.L. Agarwal #	25000	4000	Nil	Nil	29000
Sri B. Bajoria	25000	Nil	Nil	Nil	25000
Sri B.D. Beriwala	25000	14000	Nil	Nil	39000
Sri B.K. Biyani	20000	Nil	Nil	Nil	20000
Sri S.R. Daga	25000	14000	Nil	Nil	39000
Sri R.N. Deogun	20000	8000	Nil	Nil	28000
Sri C.K.Dhanuka *	Nil	Nil	1259717	1391738	2651455
Sri M. Dhanuka *	20000	Nil	Nil	Nil	20000
Sri H. Khaitan # *	10000	Nil	Nil	Nil	10000
Sri A.K. Lohia	10000	Nil	Nil	Nil	10000

* Sri C.K. Dhanuka, Sri M. Dhanuka and Sri H. Khaitan are related to each other.

Paid to M/s. Khaitan & Co. of which Sri P.L. Agarwal and Sri H. Khaitan are partners.

Sri C.K. Dhanuka was re-appointed as Managing Director with concurrent designation of Chief Executive Officer of the Company for a period of five years w.e.f. 1st January 2005 on revised terms as approved by the members at the Annual General Meeting held on 29th July, 2005.

The modification in the terms of remuneration of Sri C.K.Dhanuka w.e.f 1st June,2009, for the balance period of his tenure i.e. upto 31st December 2009, as recommended by the Remuneration Committee and approved by the Board of Directors at their respective meetings held on 27th May 2009, is subject to the final approval of the members at the ensuing Annual General Meeting.

Details of shares held by non-executive directors in the Company as on 31st March, 2009:-

Sri M. Dhanuka	135911 shares
Sri S.R. Daga	1,000 shares

None of the other Non-Executive Directors hold any shares in the Company.

d) Code of Conduct for Directors and Senior Management

The Board at its meeting held on 27th January 2005 adopted the Code of Conduct for Directors and the Senior Management of the Company. The Code has been put on the Company's website www.dhunseritea.com.

The code was duly circulated to all the members of the Board and the Senior Management personnel and they have affirmed their compliance with the code. A declaration to this effect is appearing along with the report.

3. Audit Committee

The Audit Committee comprises the following Non-Executive Independent Directors:

Sri S. R. Daga	Chairman
Sri B. D. Beriwal	Member
Sri R. N. Deogun	Member

During the year under review, there has been no change in the composition of the Audit Committee.

A brief description of the role of the Audit Committee as contained under Clause 49 of the Listing Agreement is as follows:

- ▶ To review the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ▶ To recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of the audit fees.
- ▶ To review with the management, the annual financial statements 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 (2AA) of Section 217 of the Companies Act, 1956.
 - 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 the 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) Qualifications in the draft audit report.
- ▶ To review with the management, the quarterly financial statements before submission to the Board for approval.
- ▶ Reviewing with the management, performance of the statutory and internal auditors, adequacy of the internal

control systems.

- ▶ Reviewing the adequacy of the internal audit function.
- ▶ Discussions with internal auditors any significant findings and follow-up thereon.
- ▶ To look into the reasons of substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
- ▶ Carrying out any function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee met five times during the year on 29th April, 2008; 30th July, 2008; 30th September 2008; 31st October 2008 and 28th January 2009. The attendance of the members at the Audit Committee meetings is summarised below:

Name	No. of meetings held	No. of meetings attended
Sri S. R. Daga	5	5
Sri B. D. Beriwal	5	5
Sri R. N. Deogun	5	4

4. Remuneration Committee

(i) Executive Directors

The Remuneration Committee comprises the following Non-Executive Independent Directors:

Sri S.R.Daga	Chairman
Sri P.L.Agarwal	Member
Sri B.D.Beriwal	Member

During the year, there were no meetings of the Remuneration Committee.

The Remuneration Committee would determine the remuneration packages of the Executive Directors(s).

Sri C.K. Dhanuka was re-appointed as Managing Director with concurrent designation of Chief Executive Officer of the Company for a period of five years w.e.f. 1st January 2005 on revised terms as approved by the members at the Annual

General Meeting held on 29th July, 2005.

The modification in the terms of remuneration of Sri C.K.Dhanuka w.e.f. 1st June, 2009, for the balance period of his tenure i.e. upto 31st December, 2009, as recommended by the Remuneration Committee and approved by the Board of Directors at their respective meetings held on 27th May 2009, is subject to the final approval of the members at the ensuing Annual General Meeting.

There were no stock options available/ issued to the Managing Director and it does not form part of the contract with the Company. The Managing Director is entitled to a commission, based on the net profits of the Company in a particular year as laid down in Sections 198 and 309 of the Companies Act, 1956, subject to a maximum of 2.5% of the net profits of the Company.

Sri C.K. Dhanuka currently holds 55,500 shares in the Company.

(ii) Non-Executive Directors

A sitting fee is paid to each Non-Executive Director for attending Board / Committee meeting of the Company. The Non-Executive Directors are not paid any commission. The Company pays Rs 5000 as sitting fee to each director for every board meeting they attend and Rs 2000 as sitting fee to each respective member director for every Audit Committee, Shareholders' / Investors' Grievance Committee and Remuneration Committee meeting they attend. No fee is paid for attending the other committee meetings of the Company.

The details of remuneration paid / payable to the Directors of the Company are detailed under Para 2(c) above.

5. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee comprises four Member Directors, of which three are Non-Executive Directors namely, Sri P.L. Agarwal, Sri S.R. Daga and Sri B.D. Beriwal and one Executive Director Sri C. K. Dhanuka.

Sri P.L. Agarwal is the Chairman of the Committee.

Sri R. Mahadevan, Company Secretary acts as the Compliance Officer to the Committee.

The Committee deals with all matters relating to shareholders'/ investors' grievance viz. transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.

The Committee met twice during the year on 30th July 2008 and 28th January 2009.

The attendance of the members at the Shareholders'/Investors' Grievance Committee Meetings are summarised below:

Name	No. of meetings held	No. of meetings attended
Sri P. L. Agarwal	2	2
Sri S. R. Daga	2	2
Sri B. D. Beriwal	2	2
Sri C. K. Dhanuka	2	2

During the year, 11 complaints were received from shareholders and investors. All the complaints have been resolved to the satisfaction of the complainants. All valid requests for share transfer received during the year have been acted upon by the Company and no such transfer is pending.

6. Share Transfer Committee

The Share Transfer Committee comprises the following Directors of the Company:

i)	Sri C.K. Dhanuka	Chairman
ii)	Sri Mrigank Dhanuka	Member
iii)	Sri B.K. Biyani	Member

The said committee is authorised to deal with as well as accord its approval to all share-related matters. The scrutiny and other formalities relating to share transfers, etc. are undertaken by the Registrars & Share Transfer Agents, M/s. Maheshwari Datamatics Private Limited. The committee meets at regular intervals and during the year had met five times on the following dates:

17th April 2008; 21st July 2008; 12th September 2008; 31st December 2008 and 31st March 2009.

The attendance of the members at the share transfer committee meetings are given below:

Name	17.04.2008	21.07.2008	12.09.2008	31.12.2008	31.03.2009
Sri. C.K.Dhanuka	Yes	Yes	Yes	Yes	Yes
Sri. Mrigank Dhanuka	Yes	No	Yes	No	Yes
Sri. B.K. Biyani	No	Yes	Yes	Yes	Yes

7.1 General Body Meetings

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time	Details of Special Resolution
2007-08	Kala Kunj (Sangit Kalamandir Trust) 48, Shakespeare Sarani, Kolkata-700017	28th November, 2008	10.00 am	Voluntary delisting of the equity shares of the Company from the Calcutta and Gauhati Stock Exchanges.
2006-07	Same as above	30th July, 2007	10.00 am	None
2005-06	Same as above	29th July, 2006	10.30 am	Article 84 of the Articles of Association of the Company was amended so that the Company's Board may be increased up to a maximum of twelve Directors

Other than the above, there were no other General Meetings during the last three years.

7.2 Postal Ballot and postal ballot process

No resolution was put through postal ballot last year.

7.3. Information about Directors seeking appointment/ re-appointment, etc.

These have been included in the 'Notes' annexed to the Notice of the Annual General Meeting.

8. Disclosures

a) There are no materially significant related party transactions made by the Company with its promoters, Directors or the

management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Transactions with related parties are disclosed in Note No.8 of Schedule 17 to the accounts in the Annual Report.

b) During the last three years, there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

c) The Company does not have any whistle blower policy as of now but no personnel are being denied any access to the Audit Committee.

d) The Company has adopted all the mandatory requirements as recommended by Clause 49 of the Listing Agreement with stock exchanges and is in the process of examining the implementation of some of the non-mandatory requirements. However till date, except for the constitution of the Remuneration Committee of the Board, none of the non-mandatory requirements of Clause 49 has been adopted or implemented.

e) Disclosure of Persons constituting 'Group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969) pursuant to Regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997.

Sri Chandra Kumar Dhanuka; Sri Mrigank Dhanuka; Smt. Aruna Dhanuka; Smt. Tarulika Khaitan; Smt. Bharati Dhanuka; Mrigank Dhanuka Trust; Shaligram Trust; Tarugreve Trust; Mint Investments Limited; Naga Dhunseri Group Limited; Lyons & Roses Limited; Plenty Valley Intra Limited; Sew Bhagwan & Sons; Chandra Kumar Dhanuka(HUF); Trimplex Investments Pvt. Limited; Mr. Yves F. Lombard and Yves Lombard Asset Management AG.

9. Means of Communication

The quarterly / annual Results and the Notices of the Company are published in Business Standard and/or Economic Times as well as in Aaj Kaal, which is a Bengali daily. These results as well as the shareholding pattern's are also posted in the Company's website www.dhunseritea.com and EDIFAR website www.sebiedifar.nic.in.

10. Management Discussion and Analysis Report

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report is given below.

(a) Industry structure and developments

The total tea production during the season 2008 for the industry as a whole was higher compared to the season 2007. This was mainly due to higher crop in South India. The average realisations were also higher for the industry during the season 2008 in comparison to season 2007.

Your Company's production was marginally less in relation to the last year's level due to more emphasis on quality and orthodox production.

(b) Opportunities and threats

With global production being comparatively less and with less carry-over stock, coupled with rising domestic demand and exports, the tea prices ruled firm. The demand for internal consumption of tea as well as exports are expected to grow in the coming years. With overall domestic production not expected to increase significantly in comparison to the demand, will result in increased realisation for the industry.

(c) Outlook

The outlook for the industry is expected to further improve with increased exports as well as internal consumption, coupled with better price realisations in the coming years.

(d) Risks and concerns

The availability of land for cultivation continues to be a constraint. The steps taken for increasing the yield as well as the reclamation programme being pursued will enable the Company to sustain its production strategies.

(e) Internal control systems and their adequacy

The system of internal control is commensurate with the size and nature of the business of the Company. The systems are regularly reviewed to ensure effectiveness.

(f) Discussion on financial performance with respect to operational performance

These have been covered in the Directors' Report specifically under the section on financial results and operations.

(g) Material developments in human resources/ industrial relations front, including number of people employed

The Company continues to emphasise on training and development of its human resources. The requirement of professionally qualified and trained personnel is regularly reviewed to obtain optimum results in all spheres of its activity.

The Company strives to maintain healthy industrial relation at all its production facilities.

It also continues to maintain cordial relationship with its employees and provides all mandatory facilities to them.

The actual number of persons employed by the Company as on 31st March 2009 was 5924.

11. Shareholders' information

a) Annual General Meeting

Thursday, 27th August, 2009 at 11.45 a.m. at Kalakunj, 48, Shakespeare Sarani, Kolkata-700017.

b) Book Closure

The Register of Members and Share Transfer Register will remain closed from Friday, 21st August, 2009 to Thursday, 27th August, 2009 (both days inclusive) on account of the Annual General Meeting and dividend payment.

c) Dividend payment

On or after 27th August 2009.

d) Registered office:

'Dhunseri House', 4A, Woodburn Park, Kolkata – 700020

Ph. No.: 2280-1950 (five lines)

Fax No. 91 33 2287-8350

Email: dhunseri@vsnl.com

e) Listing on Stock Exchanges:

The Company's shares are listed with the Bombay Stock Exchange Limited and the National Stock Exchange of India Ltd.

The Company has paid the listing fees for the year 2009-10.

f) i) Exchange Scrip Code: BSE: 523736

NSE: DTIL

ii) ISIN number : INE 477B01010

g) Stock market price data for the year 2008-09

Period 2008-09	BSE		NSE		BSE Sensex	
	High	Low	High	Low	High	Low
April	121.00	94.80	119.90	103.45	17480.74	15297.96
May	132.00	99.05	128.00	105.95	17735.70	16196.02
June	124.00	85.35	115.00	84.05	16632.72	13405.54
July	108.00	80.50	113.95	69.05	15130.09	12514.02
August	125.50	103.50	149.00	102.75	15579.78	14002.43
September	133.00	109.20	134.00	113.55	15107.01	12153.55
October	119.00	84.00	115.35	95.05	13203.86	7697.39
November	95.00	68.70	90.05	74.35	10945.41	8316.39
December	82.00	62.50	84.50	65.10	10188.54	8467.43
January	82.60	64.00	83.90	67.10	10469.72	8631.60
February	73.50	57.50	76.40	55.95	9724.87	8619.22
March	79.70	56.00	72.90	56.00	10127.09	8047.17

h) Registrars and Share Transfer Agents

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor, Kolkata-700 001

Phone: 2243-5029, 2243-5809

Fax : 91 33 2248-4787

email : mdpl@cal.vsnl.net.in

i) Share Transfer System

The Company's Registrars and Share Transfer Agents M/s. Maheshwari Datamatics Pvt. Ltd. process the share transfers

and after completion of all required formalities, return the shares in the normal course within an average period of 15 to 20 days from the date of receipt, if the documents are valid and complete in all respects.

Further, M/s. Maheshwari Datamatics Pvt. Ltd. also being the Company's Demat Registrars, the requests for dematerialisation of shares are processed and confirmation is given by them to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within 15 days.

j) Shareholding pattern and distribution of shares as on 31.03.2009

Shareholding pattern

Category	No of shares held	Percentage %
Promoters	8783173	75.00
Financial Institutions, Mutual Funds, Banks & Insurance Companies	202105	1.73
Bodies Corporate	1355166	11.57
Indian public	1344885	11.48
NRI's & Others	25566	0.22
	11710895	100%

Distribution schedule

Range	Shareholders		Shares	
	No.	%	No.	%
1- 500	8358	95.11	792479	6.77
501 - 1000	214	2.43	161286	1.38
1001 - 2000	101	1.15	143611	1.22
2001 - 3000	26	0.30	64047	0.55
3001 - 4000	19	0.21	66422	0.57
4001 - 5000	14	0.16	61931	0.53
5001 - 10000	16	0.18	108460	0.92
10001 - and above	40	0.46	10312659	88.06
	8788	100.00%	11710895	100%

k) Dematerialisation of shares and liquidity

As on 31st March 2009, 26.66 % of the Company's shares were held in dematerialised form and the rest in physical form. It needs to be said that the promoters own 75% of the Company's share, of which 6.24 % shares are dematerialised and the remaining held in physical form.

l) Insider trading regulation

The Company has adopted a code of internal procedures for prevention of any unauthorised trading in the shares of the Company by insiders, as required under SEBI (Prohibition of

Insider Trading) Regulations, 1992. The Company Secretary is the Compliance Officer for this purpose.

m) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Nil

n) Plant location

The Company's plants are located at its various tea estates in Assam viz. Dhunseri, Dilli, Namsang, Bahadur, Santi, Khagorijan, Bettybari, Bahipookri and Orang and the tea packaging units are located in Assam and Jaipur.

o) Address for investor correspondence

Shareholders can correspond at the registered office of the Company and/or at the Company's Registrar and Share Transfer Agents.

Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

p) Financial Calendar 2009-10 (Tentative)

Board/ Annual General Meeting(s)

Unaudited results for quarter ending June 30, 2009	-	Last week of July, 2009
Unaudited results for quarter ending 30th September, 2009	-	Last week of October, 2009
Unaudited results for quarter ending 31st December, 2009	-	Last week of January, 2010
Audited results for year ending 31st March, 2010	-	Last week of June, 2010
Annual General Meeting for the year ending 31st March 2010	-	July, 2010

q) Grievance Redressal Division / Compliance Officer:

R. Mahadevan

Company Secretary & Compliance Officer

e-mail: rm@dhunseritea.com

r) Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, a certificate from a practicing Company Secretary is given as an annexure to the Directors' Report.

For and on behalf of the Board of Directors
of Dhunseri Tea & Industries Ltd

Kolkata
20th June, 2009

C.K.DHANUKA
Chairman, Managing Director & CEO

Declaration regarding compliance by board members and senior management personnel with the company's code of conduct.

I confirm that the Company has in respect of the financial year ended 31st March 2009, received from the members of the Board and the senior management personnel, a declaration of compliance with the Company's Code of Conduct.

Kolkata
20th June, 2009

C. K. DHANUKA
Chairman, Managing Director & CEO

Certificate on Corporate Governance

To
The Members of
Dhunseri Tea & Industries Limited

We have reviewed the compliance of conditions of Corporate Governance by Dhunseri Tea & Industries Limited for the year ended 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges, with the relevant records and documents maintained by the Company as well as Registrars of the Company and furnished to us.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanation given to us, we certify that the conditions of Corporate Governance as Stipulated in clause 49 of the Listing Agreement with the Stock Exchanges have been complied with by the Company.

K. C. DHANUKA & CO.
Company Secretaries

K. C. DHANUKA
Proprietor

FCS 2204

C. P. No. 1247

Place: Kolkata

Dated: 20th June, 2009



Auditors' Report

To the members of

Dhunseri Tea & Industries Limited

1. We have audited the attached Balance Sheet of Dhunseri Tea & Industries Limited, as at 31st March 2009, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - e) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2009;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Prabal Kr. Sarkar
Partner

Membership Number 52340

For and on behalf of
Lovelock & Lewes
Chartered Accountants

Kolkata, 20th June 2009

Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Dhunseri Tea & Industries Limited on the financial statements for the year ended 31st March 2009]

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b) The fixed assets are physically verified by the management according to a programme designed in such a way that all assets are verified once in three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, fixed assets of the Company were physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



9. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities except dues in respect of service tax.

Further, since the Central Government has till date not prescribed the amount of cess under section 441A of the Act, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- b) According to the information and explanations given to us and the records of the Company examined by us, no undisputed amounts payable in respect of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears as at 31st March 2009 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not

applicable to the Company.

14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year and the question of creation of securities in this regard does not arise.
20. The Company has not raised any money by public issues during the year.
21. During the course of our 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 explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Prabal Kr. Sarkar

Partner

Membership Number 52340

For and on behalf of

Lovelock & Lewes

Chartered Accountants

Kolkata, 20th June 2009

Balance Sheet As at 31st March 2009

(Rs. in Lacs)

Schedule	As at 31.03.2009	As at 31.03.2008	
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1A	1,171.90	699.19
Share Capital Suspense	1B		472.71
Reserves and Surplus	2	13,117.86	11,745.08
Loan Funds			
Secured Loans	3	2,173.83	2,929.64
Unsecured Loans	4	1,943.75	2,026.65
Deferred Tax Liabilities (Net) (Refer Note 5 of Schedule 17)		585.42	353.17
		18,992.76	18,226.44
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	8,959.86	8,894.76
Less : Depreciation		3,900.65	4,316.22
Net Block		5,059.21	4,578.54
Capital Work-in-Progress		55.83	48.82
Investments	6	15,337.08	15,431.45
Current Assets, Loans and Advances			
Inventories	7	1,276.01	1,093.17
Sundry Debtors	8	1,073.73	1,046.18
Cash and Bank Balances	9	881.20	169.88
Other Current Assets	10	88.80	176.55
Loans and Advances	11	744.57	976.83
		4,064.31	3,462.61
Less : Current Liabilities and Provisions	12		
Current Liabilities		4,985.85	4,835.30
Provisions		537.82	459.68
		5,523.67	5,294.98
Net Current Assets		(1,459.36)	(1,832.37)
		18,992.76	18,226.44
Notes on Accounts	17		

Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For and on behalf of the Board

Prabal Kr. Sarkar
Partner
Membership No: 52340

C.K. Dhanuka
Chairman &
Managing Director

M. Dhanuka
Director

S.R. Daga
Director

P.L. Agarwal
Director

For and on behalf of
Lovelock & Lewes
Chartered Accountants

Place : Kolkata
Date : 20th June 2009

R. Mahadevan
Secretary

R.N. Deogun
Director

B.D. Beriwala
Director

A.K. Lohia
Director

B. Bajoria
Director

B. K. Biyani
Director



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

(Rs. in Lacs)

Schedule	Year ended 31.03.2009	Year ended 31.03.2008
INCOME		
Sales	10,583.87	9,292.47
(Decrease)/Increase in Stock 13	5.31	(237.07)
Other Income 14	1,210.80	1,317.06
	11,799.98	10,372.46
EXPENDITURE		
Expenses 15	8,975.43	8,020.16
Interest 16	401.85	673.31
Depreciation/ Amortisation	258.90	276.49
	9,636.18	8,969.96
Profit before Tax	2,163.80	1,402.50
Provision for Taxation		
For Current Year		
Current Tax (Net of Rs Nil excess provided in respect of earlier years Previous year Rs 2,117,954 excess provided in earlier years)	252.00	133.82
Fringe Benefit Tax	14.00	2.60
Deferred Tax	232.25	(84.96)
Profit after Tax	1,665.55	1,351.04
Balance brought forward from previous year	976.35	610.65
Balance added pursuant to the Scheme of Amalgamation	—	(251.12)
Amount available for appropriation	2,641.90	1,710.57
APPROPRIATIONS		
Transfer to General Reserve	1,500.00	500.00
Proposed Dividend	292.77	234.22
Corporate Dividend Tax (Refer Note 17 of Schedule 17)	—	—
Balance carried to Balance Sheet	849.13	976.35
	2,641.90	1,710.57
Basic and diluted Earnings per share (Face Value Rs 10/- each)		
Basic and Diluted (Refer Note 9 of schedule 17)	14.22	11.54
Notes on Accounts 17		

Schedules referred to above form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our Report of even date.

For and on behalf of the Board

Prabal Kr. Sarkar
Partner
Membership No: 52340

C.K. Dhanuka
Chairman &
Managing Director

M. Dhanuka
Director

S.R. Daga
Director

P.L. Agarwal
Director

For and on behalf of
Lovelock & Lewes
Chartered Accountants

R.N. Deogun
Director

B.D. Beriwala
Director

A.K. Lohia
Director

Place : Kolkata
Date : 20th June 2009

R. Mahadevan
Secretary

B. Bajoria
Director

B. K. Biyani
Director

Schedules forming part of the Accounts

(Rs. in Lacs)

	As at 31.03.2009	As at 31.03.2008
1A SHARE CAPITAL		
Authorised		
51,170,000 (Previous year 51,170,000) Equity Shares of Rs 10/- each	5,117.00	5,117.00
Issued subscribed and paid up.		
11,710,895 (Previous year 6,983,800) Equity Shares of Rs 10/- each fully paid up	1,171.09	698.38
Add: Shares Forfeited	0.81	0.81
	1,171.90	699.19

Notes : Of the above Shares

- 1) 1,828,000 Equity Shares of Rs 10/- each allotted as fully paid up Bonus Shares by Capitalisation of General Reserve.
- 2) 223,800 Equity Shares of Rs 10/- each allotted as fully paid up for consideration other than cash.

1B SHARE CAPITAL SUSPENSE		
Nil (Previous year 4,727,096) Equity Shares of Rs 10/- each, fully paid up to be issued pursuant to Scheme of Amalgamation without payment being received in cash		472.71
		472.71

	Balance as on 01.04.2008	Addition	Deduction	Balance as on 31.03.2009
2 RESERVES AND SURPLUS				
Capital Reserve	22.83	-	-	22.83
Capital Redemption reserve	12.48	-	-	12.48
Share Premium	677.88	-	-	677.88
General Reserve	10,055.54	1,500.00	-	11,555.54
Balance in Profit & Loss Account	976.35	1,665.55	1,792.77	849.13
	11,745.08	3,165.55	1,792.77	13,117.86

	As at 31.03.2009	As at 31.03.2008
3 SECURED LOANS		
From Bank		
Cash Credit /Overdraft (Refer Note 1 below)	1,201.72	1,558.81
Term loan (Refer Note 2 below)	845.75	1,245.75
Term loan (Refer Note 3 below)	64.62	77.12
Auto Finance Loans (Refer Note 4 below)	46.00	23.68
	2,158.09	2,905.36
From Others		
Tea Board (Refer Note 5 below)	11.27	18.75
Auto Finance Loans (Refer Note 4 below)	4.47	5.53
	15.74	24.28
	2,173.83	2,929.64

Notes :

1. Secured by a first Hypothecation charge on the current assets of the Company namely, stocks of raw materials, stock-in-process,



Schedules forming part of the Accounts

3 SECURED LOANS (Contd...)

semi finished and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other moveables, both present and future wherever situated and equitable mortgage over the immovable properties by deposit of title deeds of tea estates.

- This is secured by way of first pari passu charge on certain Fixed Assets of the Company (including Capital WIP & equitable mortgage on the tea estates) alongwith the working capital bankers, second charge on certain current assets of the Company and further by any other security as may be stipulated by the bank.
- Secured on pari passu basis amongst Bankers by hypothecation of certain crop and book debts and other movable assets both present and future and additionally by mortgage by deposit of title deeds of certain tea estates of the Company.
- Secured by hypothecation of respective vehicles financed.
- Secured/to be secured by hypothecation of respective machines purchased there against.

(Rs. in Lacs)

	As at 31.03.2009	As at 31.03.2008
4 UNSECURED LOANS		
Fixed Deposits	6.65	7.40
Short Term Loan - from Bank * #	1,917.10	1,999.25
- from Bodies Corporate	20.00	20.00
	1,943.75	2,026.65

Notes :

* Includes FCNR (B) loan of Rs 91,710,000 (Previous year - Rs 99,925,000)

taken against personal guarantee of the promoter-director of the Company

5 FIXED ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMORTIZATION					NET BLOCK	
	Cost as at 31.03.2008	Acquisition by scheme of amalgamation	Additions	Sale or Adjustments	Total cost as at 31.03.2009	Upto 31.03.2008	Acquisition by scheme of amalgamation	For the year ended 31.03.2009	Sale or Adjustments	Total upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Freehold Land	397.61	-	-	-	397.61	-	-	-	-	-	397.61	397.61
Leasehold Land	308.71	-	-	-	308.71	2.74	-	7.74	-	10.48	298.23	305.97
Leasehold Land and Estate												
Development	1,020.71	-	29.54	-	1,050.25	7.62	-	-	-	7.62	1,042.63	1,013.09
Buildings	2,342.00	-	564.58	452.04	2,454.54	964.38	-	44.82	329.22	679.98	1,774.56	1,377.62
Plant & Machinery	4,226.25	-	167.37	352.55	4,041.07	2,954.70	-	165.32	318.99	2,801.03	1,240.04	1,271.55
Furniture and												
Fixtures	144.19	-	7.72	0.01	151.90	105.19	-	7.11	0.01	112.29	39.61	39.00
Vehicles	455.29	-	129.74	29.24	555.78	281.59	-	33.91	26.25	289.25	266.53	173.70
Total	8,894.76	-	898.95	833.84	8,959.86	4,316.22	-	258.90	674.47	3,900.65	5,059.21	4,578.54
Previous year	5,364.80	4,222.49	138.11	830.65	8,894.75	2,034.03	2,191.40	276.48	185.69	4,316.22	4,578.53	

Notes :

- Quality Upgraded subsidy & Irrigation subsidy amounting to Rs 21.14 lacs (Previous year : Rs 4.09 lacs) and Rs 14.58 lacs (Previous year : Rs Nil) respectively received during the year under Tea Board Quality Upgradation & Product Diversification and Irrigation Subsidy Schemes has been adjusted against the cost of the respective assets.
- The Assam Government has acquired in total 793.05 hectares of land under the Assam Fixation of Ceiling on Land Holdings Act, 1956 and P.W.D. has acquired 4 hectares of land for construction of public road. Pending the receipt/finalisation of compensation money from the authorities in respect of the above acquisition, no adjustment in this regard has been made in these accounts.
- Machinery (Gross Block) includes items acquired under Hire Purchase Scheme of Rs 9.04 lacs (Previous year : Rs 9.04 lacs).

Schedules forming part of the Accounts

(Rs. in Lacs)

	Face Value (Rs.)	No. of Shares/Units		Book Value	
		As at 31.03.2009	As at 31.03.2008	31.03.2009	31.03.2008
6 INVESTMENTS					
(Long Term except otherwise stated)					
(Other than trade)					
Government/ Trust Securities - Unquoted					
National Savings Certificates		-	-	0.28	0.28
(Deposited with Electricity, Postal Authorities and Sales Tax Dept as Security)		-	-	0.28	0.28
In Equity Shares of Subsidiary Company - Quoted, fully paid up					
South Asian Petrochem Limited (#)	10	116,580,549	116,580,549	14,796.12	14,796.12
				14,796.12	14,796.12
In Equity Shares of Other Companies - Quoted, fully paid up					
India Glycol Limited	10	-	77,000	-	196.64
Jindal Steel & Power Limited	2	-	10	-	0.20
Larsen & Tubro Limited	10	12,000		99.87	-
				99.87	196.84
In Equity Shares - Unquoted, fully paid up					
Dhunseri Polycarbonate Limited	10	26,000	-	2.60	-
Assam Bengal Cereals Limited	10	2,630	2,630	0.26	0.26
Assam Hospitals Limited	10	50,000	50,000	5.00	5.00
Assam Financial Corporation Limited	100	100	100	0.10	0.10
East India Planters Co-Operative Limited	50	124	124	0.06	0.06
Assam Co-Operative Apex Bank Limited	50	300	300	0.15	0.15
Madhuting Tea Private Limited	1000	5,000	5,000	300.11	300.11
Tectura Corporation (*)	100	169,118	169,118	99.18	99.18
5% Non-redeemable debenture stock 1957 in The East India Clinic Limited		-	-	0.02	0.02
				407.48	404.88
In Equity Share Warrant of Subsidiary Companies - Partly paid up					
South Asian Petrochem Limited		-	-	33.33	33.33
				33.33	33.33
Grand Total				15,337.08	15,431.45
Aggregate of Quoted Investments (Book Value)				14,895.99	14,992.96
Aggregate of Unquoted Investments (Book Value)				441.09	438.49
Aggregate of Quoted Investments (Market Value)				8,940.69	19,484.13

(*) Pursuant to an agreement dated 6th November 2006 between (i) the Company along with certain other Companies (collectively the Sellers), Euroinfo Systems Pvt.Ltd. And (iii) Tectura Corporation, USA (the Buyer), 70,000 shares of Euroinfo Systems Pvt. Ltd. held by the Company were sold to Tectura Corporation subject to certain terms and conditions as mentioned in the agreement at the aggregate of following purchase price subject to clause (c) as below:

- 169,118 fully paid up, common stock of Tectura Corporation - these stocks are held in escrow and shall be released after 3 years commencing from the closing date thereafter the Company may elect to exercise their redemption option anytime at an agreed price and



Schedules forming part of the Accounts

6 INVESTMENTS (Contd..)

- b) annual stock dividend in the form of Tectura Corporation's common stock after 24 and 36 months post closing.
 c) a price adjustment in the form of Tectura Corporation's common stock, if tangible net worth of Euroinfo Systems Pvt. Ltd. as on the date preceding the closing date is less than certain limits.

(#) 53,047,007 Equity Shares Pledged with Financial Institutions as security against loan granted to a Company alongwith an undertaking for non disposal of such shares/debentures.

(Rs. in Lacs)

	As at 31.03.2009	As at 31.03.2008
7 INVENTORIES		
Stores, Spares and Packing materials (including in transit)	567.75	390.22
Stock of Tea (including in transit & with consignment agents)	708.26	702.95
	1,276.01	1,093.17

8 SUNDRY DEBTORS - UNSECURED (Considered Goods)

Debts Outstanding for more than six months	14.67	14.26
Other Debts	1,059.06	1,031.92
	1,073.73	1,046.18

9 CASH AND BANK BALANCES

Cash in hand	9.77	14.08
Remittance in transit	5.54	7.83
Cheques in hand	49.09	37.06
Balances with Scheduled Banks		
On Current Accounts	815.80	109.41
On Deposit Accounts	1.00	1.50
Balances with Non Scheduled Banks		
On Current Account with Lakhimi Gaonlia Bank	-	* -
(Maximum amount outstanding during the year Rs 44 Previous year Rs 123)		
* represents amount below Rs 1,000		
	881.20	169.88

10 OTHER CURRENT ASSETS

Interest Receivable	7.86	4.19
Other Receivable	80.94	172.36
	88.80	176.55

11 LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	398.19	369.68
Loans to Bodies Corporate and Others	192.00	296.50
Deposits with Govt. authorities and Others (Refer Note 4 of Schedule 17)	147.82	144.06
Deposit with NABARD u/s 33AB of Income Tax Act, 1961	2.02	112.01
Advance Tax (net of provision)	4.54	54.58
	744.57	976.83

Schedules forming part of the Accounts

(Rs. in Lacs)

	As at 31.03.2009	As at 31.03.2008
12 CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
Dues to Micro and Small Enterprises (Refer Note 12 of Schedule 17)	11.59	21.07
Dues to Others	437.30	385.02
Other Liabilities (Refer Note 13 of Schedule 17)	4,521.05	4,393.10
Interest accrued but not due on Loans	15.91	36.11
	4,985.85	4,835.30
There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
B. Provisions		
For Retirement & Other Employee Benefits	245.05	225.46
For Proposed Dividend (Refer Note 17 of Schedule 17)	292.77	234.22
	537.82	459.68

	Year ended 31.03.2009	Year ended 31.03.2008
13 (DECREASE)/INCREASE IN STOCK		
Closing Stock:		
Finished Goods - Tea	708.26	702.95
Less:		
Opening Stock		
Finished Goods - Tea	702.95	940.02
Increase / (Decrease)	5.31	(237.07)

14 INCOME - OTHERS		
Dividend on Long Term Investments - other than Trade	3.55	6.35
Dividend from Subsidiary Company	582.90	-
Profit/(loss) on Sale of Fixed Assets(Net)	537.15	20.97
Rent Received	0.86	1.82
Profit/(loss) on Sale of Long Term Investments (Net) - other than Trade	-	1,129.37
Liability no longer required written back	0.87	6.48
Replantation Subsidy	10.40	6.11
Orthodox Subsidy	37.44	56.24
Central Interest Subsidy	-	41.52
Miscellaneous	37.63	48.20
	1,210.80	1,317.06



Schedules forming part of the Accounts

(Rs. in Lacs)

	Year ended 31.03.2009		Year ended 31.03.2008	
15 CULTIVATION, MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES				
Salary, Wages and Bonus		2,381.29		2,478.41
Contribution to Provident Fund and Other Funds		266.68		196.41
Workmen and Staff Welfare Expenses		272.76		288.73
Consumption of Stores and Spares		962.46		878.13
Power and Fuel		987.76		872.90
Green Leaf Purchase		1,927.37		1,576.30
Excise Duty & Cess		130.97		138.91
Repairs and Maintenance				
- To Plant and Machinery	98.14		111.36	
- To Building	56.85		58.21	
- To Others	233.86	388.85	200.89	370.46
Rent		39.97		37.33
Rates and Taxes		48.79		25.55
Advertisement (Sales)		69.46		81.94
Insurance		36.51		39.40
Travelling and Conveyance		70.36		48.22
Freight		298.51		341.38
Brokerage on Sales		51.39		57.08
Commission on Sales		75.62		77.52
Other Selling Expenses		226.74		227.85
Director's Fees		27.72		16.15
Charity and Donations		6.90		6.09
Miscellaneous Expenses		257.40		229.26
Profit/(Loss) on Sale of Investments (Net)		163.23		-
Advances / deposit written off		19.35		3.65
Fixed Assets Written off		-		7.49
Provisions For Obsolete Stores		-		5.00
Exchange Loss		265.34		16.00
		8,975.43		8,020.16

16 INTEREST AND FINANCE CHARGES				
Interest				
On Fixed Loan		262.14		510.02
On Others	164.92		190.35	
Less: Interest on Deposit with Bank and NABARD [Tax Deducted at Source Rs 126,870 (Previous year Rs 100,000)]	6.24		4.89	
Other Interest on Loans etc. (Gross) [Tax deducted at source Rs 563,642 (Previous year Rs 575,000)]	29.40		27.07	
		129.28		158.39
Finance Charges		10.43		4.90
		401.85		673.31

Schedules forming part of the Accounts

17 | NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Convention

The accounts have been prepared to comply in all material respects with applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

b) Basis of Accounting

The financial statements have been prepared in accordance with historical cost convention. All expenses and income, unless specifically stated to be otherwise, have been accounted for on accrual basis. Replantation subsidy, other claims and refunds etc., which are not ascertainable with reasonable accuracy, are accounted for on receipts/acceptance of the same.

c) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost includes cost of acquisition, custom duties, taxes, incidental expenses relating to acquisition and installation.

Expenditure incurred towards estate development during the first year is capitalised and the expenses incurred thereafter in subsequent years and cost of replanting in existing areas are charged to revenue.

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets

An impairment loss is recognised when applicable, when the carrying value of fixed assets exceeds the market value or value in use, whichever is higher.

d) Depreciation

Depreciation on fixed assets other than Land and Estate Development has been provided on Straight-Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.

Assets costing below Rs 5,000/- each are fully depreciated in the year of addition.

Lease-hold land is amortised over the effective period of lease.

e) Investments

Long term Investments are stated at cost. Diminution in value, if any, which are not temporary in nature, are adjusted there from and recognised in the financial statements. Current Investments if any are valued at lower of cost and fair value of such investments.

f) Inventories

Inventories are valued at lower of cost or net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition and includes appropriate overhead.

Cost in respect of stores, spares and packing materials are determined at weighted average.

Provision is made for obsolete and slow-moving stock where necessary.

g) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the transaction date. Exchange differences arising on settlement of transactions or on reporting at year end rates are recognised as income or as expenses in the period in which they arise. Monetary assets and monetary liabilities in foreign currency at the balance sheet date are restated at the year end exchange rates and the resultant fluctuation is recognised as exchange gain or loss made during the year. Non monetary items, if any, which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

The premium or discount arising at inception of a forward exchange contract, if any, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.



Schedules forming part of the Accounts

17 NOTES ON ACCOUNTS (Contd...)

h) Retirement Benefits

The Company operates defined contribution schemes for Provident and Pension Fund. Contributions to these funds are made, based on fixed percentages of basic salary to the appropriate authority and Life Insurance Corporation of India (LIC) respectively. Contributions to the pension funds along with interest accumulated during the service period of such employee are utilised to buy pension annuity from the LIC. Contribution to both the funds are accounted for on accrual basis.

The Company also provides for retirement benefits with defined benefits in the form of Gratuity. Annual contributions for Gratuity is made by the Company based on actuarial valuation carried out every year at the year end to a trust and Life Insurance Corporation of India (LIC) respectively. Actuarial gains and losses are recognised immediately in the profit and loss account.

The obligation for long term employee benefits, i.e., leave encashment is recognised in the same manner as in the case of defined benefit plans as mentioned above.

Short term employee benefits are recognised as an expense in the profit and loss account of the year in which the related service is rendered.

i) Revenue Recognition

Revenue from sale of goods are recognised upon passing of title to the consumer. Sales are recorded net of sales tax.

j) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period as per prevailing taxation laws under the Income Tax Act, 1961.

Deferred tax is recognised, at the current rates of taxation, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets in respect of carried forward losses and / or unabsorbed depreciation are recognised only when it is virtual certain and in respect of other assets where there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

k) Provisions

A provision is recognised when there is a present obligation as a result of a 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.

l) Borrowing Cost

Borrowing cost that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised till substantial completion of all the activities that are necessary for this if any, otherwise borrowing cost are charged to revenue.

m) Grants/Subsidies

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets.

Other subsidies are accounted for on accrual basis when one is reasonably certain of its receipt.

2. Contingent liabilities not provided for in respect of certain possible obligations which may arise at a later date, with respect to:

- i) obtaining renewal of lease of a tea estate from the Government
- ii) a title suit pending in the district civil court over a certain portion of land
- iii) claims that may arise in future towards post employment benefits of certain employees

Liability in respect of the above is not ascertainable at this stage and the future cash flows on account of the above cannot be determined unless the judgement / decisions / demand are received from the appropriate forums.

Schedules forming part of the Accounts

17 NOTES ON ACCOUNTS (Contd..)

3. Employee Benefit Obligation

A. Defined Contribution Plans

Contribution for Defined Contribution Plan amounting to Rs 188.82 lacs has been recognised as an expense and included in Schedule 15 "Contribution to Provident Fund and Other Funds" in the Profit & Loss Account.

B. Defined Benefit Plans

1) Retirement Benefits

(Rs. in Lacs)

	31.03.2009	31.03.2008
a) Expense recognised in the statement of Profit & Loss Account for the year ended 31st March 2009 *		
Current Service Cost	51.23	49.15
Interest Cost	61.09	128.50
Expected return on plan assets	(49.25)	(44.96)
Net actuarial (gain)/loss recognised during the year	14.93	(128.98)
Total Expense recognised in the statement of Profit & Loss Account	78.00	3.71
b) Net(Asset)/Liability recognised in the Balance Sheet as at 31st March 2009		
Present Value of the Defined Benefit Obligation as at 31st March 2009	837.51	791.46
Fair value of Plan assets as at 31st March 2009	617.32	613.81
Net (Asset)/Liability recognised in the Balance Sheet	220.19	177.65
c) Actual return on plan assets		
Expected return of Plan Assets	49.25	44.96
Actuarial gain/(loss) on plan assets	(16.54)	(4.37)
Actual Return on Plan Assets	32.71	40.59
d) Change in Defined Benefit Obligation during the Year ended 31st March 2009		
Present value of Defined Benefit Obligation as at 1st April 2008	791.45	819.75
Current Service Cost	51.23	49.15
Interest Cost	61.09	128.50
Benefits paid	(64.65)	(72.61)
Actuarial (gain)/loss on Obligation	(1.61)	(133.34)
Present value of Defined Benefit Obligation as at 31st March 2009	837.51	791.45
e) Change in Assets during the year 31st March 2009		
Fair Value of Plan Assets as at 1st April 2008	613.81	599.43
Expected Return on Plan Assets	49.25	44.96
Contributions Made	35.45	46.40
Benefits Paid	(64.65)	(72.61)
Actuarial gain / (loss) on Plan Assets	(16.54)	(4.37)
Fair value of Plan Assets as at 31st March 2009	617.32	613.81

2) Long Term Employee Benefits (Leave Encashment)

(Rs. in Lacs)

	31.03.2009	31.03.2008
Expenses recognised in the statement of Profit & Loss Account for the year ended 31st March 2009 *		
Current Service Cost	3.07	0.94
Interest Cost	2.86	3.60
Net actuarial (gain)/loss recognised during the year	(0.46)	2.74
Total Expense recognised in the statement of Profit & Loss account	5.47	7.28

* included in Schedule 15 "Contribution to Provident Fund and Other Funds"



Schedules forming part of the Accounts

17 NOTES ON ACCOUNTS (Contd...)

Major categories of Plan Assets of Gratuity Funds as a percentage of Total plan as at 31st March 2009

	31.03.2009	31.03.2008
Investment with Private Insurance Companies	31.31%	28.65%
Administered by Life Insurance Corporation of India	25.58%	26.60%
Special Deposit & Bonds	19.41%	21.65%
Others	23.69%	23.10%

Actuarial Assumptions

	Gratuity		Leave Encashment	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Mortality Table	LICI-1994-1996	LICI-1994-1996		LICI-1994-1996
Discount rate	8.00%	7.50%	7.50%	7.50%
Inflation rate	5.00%	5.00%	5.00%	5.00%
Expected Return on Plan Assets	8.00%	7.50%		-

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risk of asset management and other relevant factors.

The present value obligation for gratuity and pension plans has been determined based on actuarial valuation using the Projected Unit Credit Method.

Brief description of the Defined Benefit Plans

Gratuity

The Company operates gratuity plan (administered through gratuity fund trusts and managed by Life Insurance Corporation of India (LICI)/ trustees themselves) wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service, subject to a maximum limit of Rs 3.5 lacs. The same is payable on retirement or termination of service, whichever is earlier. The benefit vests after five years of continuous service. Annual contributions based on actuarial valuation carried out at the year-end are made to LICI and the gratuity fund trusts under group gratuity scheme.

Leave Benefit

Leave benefit comprises of leave balances accumulated by the employees (with no maximum limits) which can be encashed any time during the tenure of service / retirement / death or exit. Liability for leave encashment is provided for based on actuarial valuation carried out annually at the year end.

- Deposits with Govt. Authorities and others include Rs 79.10 lacs (Previous year – Rs 79.10 lacs) being deposit for use of office space, with a private limited company in which Directors of the Company are interested as Director.
- The major components of the Deferred Tax Assets/Liabilities based on the tax effect of the timing differences, as at 31 March 2009 are as under:

	(Rs. in Lacs)	
	As on 31.03.2009	As on 31.03.2008
Deferred Tax Assets		
Expenditure u/s 43B of Income Tax Act, 1961	69.58	153.48
Capital Loss u/s 54 of Income Tax Act, 1961	5.29	-
Deferred Tax Liabilities		
Depreciation	660.29	506.65
Net Deferred Tax Liabilities	585.42	353.17

Schedules forming part of the Accounts

17 | NOTES ON ACCOUNTS (Contd...)

6. A) Details of Managerial Remuneration –

(Rs. in Lacs)

	For the year ended 31.03.2009	For the year ended 31.03.2008
Salary	6.97	6.67
House Rent Allowance	3.49	3.34
Company's Contribution to Provident & Other Funds	1.88	1.80
Commission	13.92	2.21
Other Benefits	0.25	0.25
Total	26.51	14.27

B) Computation of Net Profit and Directors' Commission

(Rs. in Lacs)

	For the year ended 31.03.2009	For the year ended 31.03.2008
Profit before Tax as per Profit and Loss account	2,163.80	1,402.50
Add: Loss on sale of a part of the undertaking (capital loss)	–	123.50
	2,163.80	1,526.00
Less: Excess of sale value of fixed assets over original cost (capital profit)	500.20	119.61
Less: Profit/(Loss) on sale of investments	(163.27)	1,129.55
	1,826.87	276.84
Add: Sitting Fees	2.25	2.88
Add: Director Remuneration	26.51	14.27
Profit for computation of Directors' Remuneration	1855.63	293.99
Commission thereon @ 0.75 %:	13.92	2.20

7. Miscellaneous expenses include –

(Rs. in Lacs)

	For the year ended 31.03.2009	For the year ended 31.03.2008
Audit Fee	8.05	5.80
Other services	7.50	5.25

8. Related Party disclosures in accordance with the Accounting Standard - 18 issued by the Institute of Chartered Accountants of India –

I Names of related parties and description of relationship:

a) Subsidiaries of the Company

- South Asian Petrochem Limited (SAPL)
- South Asian Petrochem USA, LLC (100% subsidiary of SAPL)
- Dhunseri Polycarbonate Limited (subsidiary of SAPL)
- Egyptian Indian Polyester Co. SAE (subsidiary of SAPL) *

b) Group / Associate Companies

- Madhuting Tea Private Limited
- Naga Dhunseri Limited
- Trimplex Investment Private Limited
- Mayfair India Limited
- Mint Investments Limited
- Plenty Valley Intra Limited
- Khaitan & Co.

c) Key Management Personnel

- Mr. C.K. Dhanuka, Managing Director



Schedules forming part of the Accounts

17 NOTES ON ACCOUNTS (Contd...)

- d) Relative of Key Management Personnel
Mr. Mrigank Dhanuka, Director (son of Mr. C.K. Dhanuka)
- e) Employees' Benefit Plans where there is significant influence:
Dhunseri Tea & Industries Limited Employees' Gratuity Fund
Tezapore Tea Co. Limited Employees' Gratuity Fund
Dhunseri Tea & Industries Limited Executive Superannuation Scheme
Tezapore Tea Co. Executive Superannuation Fund

* intended to be formed as a subsidiary

B Transactions with related parties

(Rs. in Lacs)

Sl No.	Related Party	Nature of balance	Outstanding as on 31.03.2009	Outstanding as on 31.03.2008	Nature of transaction	Year ended 31.03.2009	Year ended 31.03.2008
A)	South Asian Petrochem Ltd.	Payable	-	-	Sales of Property & vehicle	655.89	-
		Receivable	-	-	Dividend Received	582.90	-
B)	Dhunseri Polycarbonate Ltd.	Payable	-	-	Purchase of Investments	2.60	-
		Receivable	-	-	Reimbursement of expenses	3.62	-
C)	Madhuting Tea Pvt. Ltd.	Payable	0.09	0.03	Purchase of goods	0.06	0.03
					Sales of goods	0.07	-
D)	Naga Dhunseri Group Ltd.		-	-	Services received	2.27	1.99
					Purchase of Fixed Assets	486.43	-
E)	Trimplex Investments (Pvt.) Ltd.	Receivable	78.76	78.81	Services received	41.75	49.00
					Services rendered	0.76	1.82
F)	Mayfair India Ltd.		-	-	Services received	-	0.75
G)	Mint Investments Ltd.	Payable	2,044.18	2,044.18	Purchase of Investments	-	2,044.18
					Services received	9.35	-
H)	Plenty Valley Intra Limited	Payable	827.50	827.50	Purchase of Investments	-	827.50
I)	Khaitan & Co.	Receivable	1.60	0.15	Services received	15.52	4.58
J)	C.K. Dhanuka	Payable	38.92	2.21	Remuneration paid	25.47	15.26
					Security deposit received	25.00	-
					Rent Received	0.05	-
K)	Mrigank Dhanuka	Payable	25.00	-	Sitting fees	0.21	0.39
					Security deposit received	25.00	-
					Rent Received	0.05	-
L)	Dhunseri Tea & Industries Limited Employees' Gratuity Fund	Payable	53.41	36.59	Contributions during the year	34.91	45.66
		Receivable	-	-			
M)	Tezapore Tea Co. Limited Employees' Gratuity Fund	Payable	166.79	141.06	Contributions during the year	0.54	0.74
N)	Dhunseri Tea & Industries Limited Executive Superannuation Scheme		-	-	Contributions during the year	3.74	2.87
O)	Tezapore Tea Executive Superannuation Fund		-	-	Contributions during the year	2.73	3.86

Note :

The management certifies that there have been no payments, other than those disclosed above, to key management personnel and / or their relatives and/or to any other related party.

Schedules forming part of the Accounts

17 NOTES ON ACCOUNTS (Contd...)

9. Basic and Diluted Earnings per share: -

	For the year ended 31.03.2009	For the year ended 31.03.2008
Profit/(Loss) after Tax (Rs in Lacs)	1,665.55	1,351.04
Number of Equity Shares of Rs 10/- each	11,710,895	11,710,895
Basic and Diluted Earning per share (Rs)	14.22	11.54

10. The Company is engaged in the business of integrated activities of manufacture and sale of tea, predominantly in the domestic market. Hence, there is no reportable segment as per the AS – 17 on "Segment Reporting" as issued by ICAI.

11. The Company has taken office premises under leave and licence agreement having a tenure of three years and has no specific obligations for renewal. Lease rent for the year amounts to Rs 26.25 lacs (Previous year: Rs 36.00 lacs).

12. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) as at 31st March 2009. The disclosure pursuant to the said Act is as under:

(Rs. in Lacs)

Sl. No.	Particulars	As on 31.03.2009	As on 31.03.2008
i)	Principal amount remaining unpaid to any supplier as at the end of the year	9.87	19.98
	Interest remaining unpaid to any supplier as at the end of the year	1.72	1.09
ii)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	–	–
	Amount of the payment made to the suppliers beyond the appointed day during the year;	34.71	13.34
iii)	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	–	–
iv)	Amount of interest accrued and remaining unpaid at the end of the year	0.63	1.09
v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	1.09	1.09

13. Other Liabilities include Rs 3, 782.03 lacs on account of purchase of 228.52 lacs (Previous year: 228.52 lacs) Equity Shares of South Asian Petrochem Ltd. from certain group companies (sellers) whereby the purchase consideration is payable within five years from the purchase date (i.e., 31st March 2008) at the option of the sellers, either in cash or by converting the consideration into Equity Shares of the Company at a value to be determined by an independent chartered accountant and as per SEBI Guidelines.

14. a) Quantitative Information

Product	Year	Unit	Licensed Capacity	Installed Capacity **	Unit	OPENING STOCK		PURCHASE		Actual production Qty. (Kgs) (in Lacs)	Internal Transfers Qty. (Kgs) (in Lacs)	TURNOVER *		CLOSING STOCK	
						Qty. (Kgs) (in Lacs)	Amount (Rs.) (in Lacs)	Qty. (Kgs) (in Lacs)	Amount (Rs.) (in Lacs)			Qty. (Kgs) (in Lacs)	Amount (Rs.) (in Lacs)	Qty. (Kgs) (in Lacs)	Amount (Rs.) (in Lacs)
1. Tea	31.03.2009	Kgs.	N.A.	N.A.	Kgs.	9.64	580.69	–	–	98.58	27.14	72.08	6,842.26	9.00	642.83
	31.03.2008	Kgs.	N.A.	N.A.	Kgs.	12.87	848.65	–	–	103.94	29.36	77.81	6,073.92	9.64	580.69
2. Packet Tea	31.03.2009	Kgs.	N.A.	N.A.	Kgs.	1.53	122.26	–	–	27.14	–	27.95	3,741.61	0.72	65.43
	31.03.2008	Kgs.	N.A.	N.A.	Kgs.	1.16	91.36	–	–	29.36	–	28.99	3,218.55	1.53	122.26

Sub Notes :

* Including Tea Waste, Sample, Staff, Complimentary, Gift, Liquid, Labourers Tea, Breakage, Damages and Write off etc.

** As certified by the Management.



Schedules forming part of the Accounts

17 | NOTES ON ACCOUNTS (Contd...)

b) Raw Materials Consumed

	Unit	Year ended 31.03.2009		Year ended 31.03.2008	
		Qty.	Value (Rs. in lacs)	Qty.	Value (Rs. in lacs)
i) Green Leaf - Own	Kgs.	317.08	N.A. *	327.17	N.A. *
ii) Green Leaf - Purchased (100 % Indigenous)	Kgs.	121.21	1,927.37	139.05	1,576.30

* Being raw materials harvested in the Company's own garden as agricultural produce involving integrated activities of nursery, cultivation, growth etc. and utilised in the manufacturing of tea and the value at the intermediate stage could not be ascertained.

(Rs. in Lacs)

	Year ended 31.03.2009	Year ended 31.03.2008
c) Stores & Spares Consumed (100 % Indigenous)	1,074.72	929.69

15. Expenditure in Foreign Currency

(Rs. in Lacs)

	Year ended 31.03.2009	Year ended 31.03.2008
Travelling Expenses	-	0.40
Interest on FCNR(B) Loan	82.73	12.10

16. Amount of dividend remitted in foreign exchange

Year to which it relates	2007-08	-
Number of non-resident shareholders	1	-
Number of Equity Shares held on which dividend was due (shares)	3,795,054	-
Amount remitted (in equivalent USD 153,521.60)	Rs 7,590,108	-

17. No provision for Corporate Dividend Tax is required to be made in the accounts of the Company for the dividend proposed for the current year in view of Section 115-O (1A) of the Income Tax Act, 1956.

18. Foreign Currency exposure that are not hedged by a derivative instrument or otherwise is Rs 91,710,000 (Previous year - Rs 99,925,000).

19. Previous year's figures have been rearranged / regrouped wherever necessary.

Signatures to Schedules 1 to 17

For and on behalf of the Board

Prabal Kr. Sarkar
Partner
Membership No: 52340

C.K. Dhanuka
Chairman &
Managing Director

M. Dhanuka
Director

S.R. Daga
Director

P.L. Agarwal
Director

For and on behalf of
Lovelock & Lewes
Chartered Accountants

R.N. Deogun
Director

B.D. Beriwala
Director

A.K. Lohia
Director

Place : Kolkata
Date : 20th June 2009

R. Mahadevan
Secretary

B. Bajoria
Director

B. K. Biyani
Director



Cash Flow Statement

For the year ended 31st March 2009

(Rs. in Lacs)

	Year ended 31.03.2009	Year ended 31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,163.80	1,402.50
Adjustments for:		
Interest income	(35.64)	(31.96)
(Profit)/Loss on sale of assets	(537.15)	(20.97)
Dividend income	(586.45)	(6.35)
Profit/(Loss) on investments (net)	163.23	(1,129.38)
Interest and finance charges	437.49	705.27
Depreciation and amortisation	258.90	276.48
Fixed Assets Written off	-	7.49
Advances / deposit written off	18.91	3.65
Liabilities no longer required written back	0.87	(6.48)
Provision for obsolete stores	-	5.00
Unrealised foreign exchange difference-net (gain)/loss	265.34	16.00
Operating Profit before Working Capital Changes	2,149.30	1,221.27
Adjustments for:		
Trade and other receivables	127.19	162.58
Inventories	(182.84)	249.27
Trade payables and other liabilities	187.69	(99.86)
Cash generated from operations	2,281.34	1,533.26
Direct Taxes (Paid) / Received	(215.96)	(248.08)
Net Cash from Operating Activities	2,065.38	1,285.18
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (incl. movement for capital work-in-progress)	(905.95)	(166.62)
Sale of fixed assets	696.53	658.49
Purchase of investments	(99.87)	(4,659.72)
Investment in subsidiaries	(2.60)	(3,459.39)
Sale of investments	33.60	9,029.54
Loans/Deposits made with bodies corporate & others	(100.00)	(400.00)
Refund of loans/deposits made with bodies corporate & others	200.00	305.00
Dividend received	586.45	6.35
Interest received	31.96	37.48
Cash and cash equivalents acquired pursuant to scheme of amalgamation	-	63.92
Net Cash from Investing Activities	440.12	1,415.05
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,908.95	29,111.15
Repayment of borrowings	(3,013.00)	(30,910.58)
Dividend paid	(233.07)	(119.94)
Dividend tax on distributable profits	-	(20.78)
Interest paid	(457.06)	(682.27)
Net Cash used in Financing Activities	(1,794.18)	(2,622.42)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	711.32	77.81
Cash and Cash Equivalents (opening Balance as at 31st March 2007)	169.88	92.07
Cash and Cash Equivalents (closing Balance as at 31st March 2008)	881.20	169.88
	711.32	77.81

Notes:

- Cash and Cash Equivalents comprise Cash & Bank balances as per Schedule-9 of the audited accounts.
- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped / rearranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

Prabal Kr. Sarkar
Partner
Membership No: 52340

C.K. Dhanuka
Chairman &
Managing Director

M. Dhanuka
Director

S.R. Daga
Director

P.L. Agarwal
Director

For and on behalf of
Lovelock & Lewes
Chartered Accountants

R.N. Deogun
Director

B.D. Beriwal
Director

A.K. Lohia
Director

Place : Kolkata
Date : 20th June 2009

R. Mahadevan
Secretary

B. Bajoria
Director

B. K. Biyani
Director

Section 212

Statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiary company

1) Name of the Subsidiary Company	South Asian Petrochem Limited
2) Financial period of the Subsidiary ended on	31st March 2009
3) Holding Company's Interest in the Subsidiary Company	50.05% of Equity Share Capital of South Asian Petrochem Limited
4) Net aggregate amount of the Profit/(Loss) of the Subsidiary Company (concerning the members of Dhunseri Tea and Industries Limited) not dealt with or provided for in the accounts of Dhunseri Tea and Industries Limited	
a) For the current year	Nil
b) For the previous years	Nil
5) Net aggregate amount of the Profit/(Loss) of the Subsidiary Company (concerning the members of Dhunseri Tea and Industries Limited) dealt with or provided for in the accounts of Dhunseri Tea and Industries Limited.	
a) For the current year	Nil
b) For the previous years	Nil

For and on behalf of the Board

C.K. Dhanuka
Chairman &
Managing Director

M. Dhanuka
Director

S.R. Daga
Director

P.L. Agarwal
Director

R.N. Deogun
Director

B.D. Beriwala
Director

A.K. Lohia
Director

Place : Kolkata
Date : 20th June 2009

R. Mahadevan
Secretary

B. Bajoria
Director

B. K. Biyani
Director

Details of Subsidiary Companies Forming Part of Consolidated Financial Statements

(Rs. in Lacs)

Sr. No.	Particulars	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover/ Total income	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	South Asian Petrochem Ltd. (SAPL)	23454.50	15648.27	109393.65	109393.65	6480.59	116011.46	2084.30	510.87	1573.43	932.55
2	South Asian Petrochem USA LLC (A subsidiary of SAPL and has been wound up w.e.f from 09/04/2008)	-	-	-	-	-	-	-	-	-	-
3	Egyptian Indian Polyester Co. S.A.E (A subsidiary of SAPL; the first financial year of the Co. will end on 31/12/2009)	-	-	-	-	-	-	-	-	-	-
4	Dhunseri Polycarbonate Ltd. (A subsidiary of SAPL incorporated on 17/04/2008)	1005.00	-	1013.99	1013.99	-	-	-	-	-	-



Consolidated Auditors' Report

To the Board of Directors of

Dhunseri Tea & Industries Limited

1. We have audited the attached consolidated balance sheet of Dhunseri Tea & Industries Limited and its subsidiaries (the group) as at 31st March 2009, the consolidated profit and loss account for the year ended on that date annexed thereto, and the consolidated cash flow statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of Dhunseri Tea & Industries Limited's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of an associate, whose financial statements reflect the group's share of profit upto 31st March 2009 of Rs 4,509,733 and the group's share of loss of Rs 729,854 for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these associates, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated

Financial Statements and Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Dhunseri Tea & Industries Limited, its subsidiaries and associates included in the consolidated financial statements.

5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Dhunseri Tea & Industries Limited, its subsidiaries and associates, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated balance sheet, of the consolidated state of affairs of Dhunseri Tea & Industries Limited and its subsidiaries as at 31st March 2009;
 - b) in the case of the consolidated profit and loss account, of the consolidated results of operations of Dhunseri Tea & Industries Limited and its subsidiaries for the year ended on that date;and
 - c) in the case of the consolidated cash flow statement, of the consolidated cash flows of Dhunseri Tea & Industries Limited and its subsidiaries for the year ended on that date.

Prabal Kr. Sarkar

Partner

Membership Number 52340

For and on behalf of

Lovelock & Lewes

Chartered Accountants

Kolkata, 20th June 2009

Consolidated Balance Sheet As at 31st March 2009

(Rs. in Lacs)

Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital 1A	1,171.90	699.19
Share Capital Suspense 1B	-	472.71
Reserves and Surplus 2	17,727.87	16,785.69
Minority Interest	20,102.42	19,986.42
Loan Funds		
Secured Loans 3	43,736.63	30,728.15
Unsecured Loans 4	9,807.75	9,890.65
Deferred Tax Liabilities (Net) (Refer Note 8 of Schedule 17)	2,684.56	2,208.19
	95,231.13	80,771.00
APPLICATION OF FUNDS		
Fixed Assets 5		
Gross Block	55,841.92	54,110.86
Less : Depreciation	16,626.50	14,659.39
Net Block	39,215.42	39,451.47
Capital Work-in-Progress	1,881.43	1,109.42
Investments 6	6,028.71	9,206.59
Current Assets, Loans and Advances		
Inventories 7	9,189.34	13,877.26
Sundry Debtors 8	18,083.38	11,772.74
Cash and Bank Balances 9	32,016.27	21,025.65
Other Current Assets 10	138.71	200.41
Loans and Advances 11	12,036.19	8,870.63
	71,463.89	55,746.69
Less : Current Liabilities and Provisions 12		
Current Liabilities	22,593.89	24,096.81
Provisions	764.43	706.61
	23,358.32	24,803.42
Net Current Assets	48,105.57	30,943.27
Miscellaneous Expenditure (To the extent not written off or adjusted)	-	60.25
	95,231.13	80,771.00
Notes on Accounts 17		

Schedules referred to above form an integral part of the Consolidated Balance Sheet.
This is the Consolidated Balance Sheet referred to in our Report of even date.

For and on behalf of the Board

Prabal Kr. Sarkar
Partner
Membership No: 52340

C.K. Dhanuka
Chairman &
Managing Director

M. Dhanuka
Director

S.R. Daga
Director

P.L. Agarwal
Director

For and on behalf of
Lovelock & Lewes
Chartered Accountants

R.N. Deogun
Director

B.D. Beriwala
Director

A.K. Lohia
Director

Place : Kolkata
Date : 20th June 2009

R. Mahadevan
Secretary

B. Bajoria
Director

B. K. Biyani
Director



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

(Rs. in Lacs)

Schedule	Year ended 31.03.2009	Year ended 31.03.2008
INCOME		
Sales	126,595.32	9,292.47
Less: Excise Duty	4,888.08	-
Sales (Net)	121,707.24	9,292.47
(Decrease)/Increase in Stock	13 (367.07)	(237.07)
Other Income	14 1,391.22	1,317.06
	122,731.39	10,372.46
EXPENDITURE		
Expenses	15 115,360.35	8,020.16
Interest	16 1,591.34	673.31
Depreciation/ Amortisation	2,665.35	276.49
	119,617.04	8,969.96
Profit before Tax	3,114.35	1,402.50
Provision for Taxation		
For Current Year		
Current Tax (Net of Rs Nil excess provided in respect of earlier years. Previous year Rs 2,117,954 excess provided in earlier years)	492.00	133.82
Fringe Benefit Tax	40.76	2.60
Deferred Tax	476.37	(84.96)
Profit after Tax	2,105.22	1,351.04
Share of Minority Interest in Subsidiary Company	(698.39)	-
Share of profit / (loss) in Associate Company	(7.30)	36.91
Profit after Minority Interest	1,399.53	1,387.95
Balance brought forward from previous year	1,013.26	610.65
Balance added pursuant to the Scheme of Amalgamation	-	(251.12)
Amount available for appropriation	2,412.79	1,747.48
APPROPRIATIONS		
Transfer to General Reserve	1,500.00	500.00
Proposed Dividend	292.77	234.22
Corporate Dividend Tax (Refer Note 16 of Schedule 17)	158.49	-
Balance carried to Balance Sheet	461.53	1,013.26
	2,412.79	1,747.48
Basic and diluted Earnings per share (Face Value Rs 10/- each)		
Basic and Diluted (Refer Note 10 of Schedule 17)	11.95	11.85
Notes on Accounts	17	

Schedules referred to above form an integral part of the Consolidated Profit and Loss Account. This is the Consolidated Profit and Loss Account referred to in our Report of even date.

For and on behalf of the Board

Prabal Kr. Sarkar
Partner
Membership No: 52340

C.K. Dhanuka
Chairman &
Managing Director

M. Dhanuka
Director

S.R. Daga
Director

P.L. Agarwal
Director

For and on behalf of
Lovelock & Lewes
Chartered Accountants

R.N. Deogun
Director

B.D. Beriwalla
Director

A.K. Lohia
Director

Place : Kolkata
Date : 20th June 2009

R. Mahadevan
Secretary

B. Bajoria
Director

B. K. Biyani
Director

Schedules forming part of the Consolidated Accounts

(Rs. in Lacs)

	As at 31.03.2009	As at 31.03.2008
1A SHARE CAPITAL		
Authorised		
51,170,000 (Previous year 51,170,000) Equity Shares of Rs 10/- each	5,117.00	5,117.00
Issued subscribed and paid up.		
11,710,895 (Previous year 6,983,800) Equity Shares of Rs 10/- each.	1,171.09	698.38
Add: Shares Forfeited	0.81	0.81
	1,171.90	699.19

Notes : Of the above Shares

- 1) 1,828,000 Equity Shares of Rs 10/- each allotted as fully paid up Bonus Shares by Capitalisation of General Reserve.
- 2) 4,950,895 (Previous year 223,800) Equity Shares of Rs 10/- each allotted as fully paid up for consideration other than cash.

1B SHARE CAPITAL SUSPENSE		
Nil (Previous year 4,727,096) Equity Shares of Rs 10/- each, fully paid up to be issued pursuant to Scheme of Amalgamation without payment being received in cash	-	472.71
	-	472.71

	Balance as on 01.04.2008	Addition	Deduction	Balance as on 31.03.2009
2 RESERVES AND SURPLUS				
Capital Reserve	22.84	-	-	22.84
Capital Redemption Reserve	12.48	-	-	12.48
Capital Reserve arising on consolidation	4,988.22	-	6.08	4,982.14
Share Premium	677.87	-	-	677.87
General Reserve	10,071.01	1,500.00	-	11,571.01
Balance in Profit & Loss Account	1,013.27	1,241.04	1,792.77	461.53
	16,785.69	2,741.04	1,798.85	17,727.87

^ Refer Note 1(d)(ii) of Schedule 17



Schedules forming part of the Consolidated Accounts

(Rs. in Lacs)

	As at 31.03.2009		As at 31.03.2008	
3 SECURED LOANS				
From Bank				
Cash Credit /Overdraft (Refer Note 1 below)	1,201.72		1,558.81	
Cash Credit /Overdraft (Refer Note 4, 6 & 7 below)	21,875.60		12,198.31	
Term loan (Refer Note 2 below)	845.75		1,245.75	
Term loan (Refer Note 3 below)	64.62		77.12	
Term loan - Foreign Currency (Refer Note 4, 5, 6, 7, 8 & 9 below)	14,008.09		9,469.68	
Auto Finance Loans (Refer Note 9 below)	101.41		105.76	
		38,097.19		24,655.43
From Others				
Tea Board (Refer Note 10 below)	11.27		18.75	
Auto Finance Loans (Refer Note 9 below)	26.74		5.53	
Foreign Currency (Refer 4, 5, 6 & 7 below)	5,601.43		6,048.44	
		5,639.44		6,072.72
		43,736.63		30,728.15

Notes :

1. Secured by a first Hypothecation charge on the current assets of the Company namely, stocks of raw materials, stock-in-process, semi finished and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other moveables, both present and future wherever situated and equitable mortgage over the immovable properties by deposit of title deeds of tea estates.
2. This is secured by way of first pari passu charge on certain Fixed Assets of the Company (including Capital WIP & equitable mortgage on the tea estates) alongwith the working capital bankers, second charge on certain current assets of the Company and further by any other security as may be stipulated by the bank.
3. Secured on pari passu basis amongst Bankers by hypothecation of certain crop and book debts and other movable assets both present and future and additionally by mortgage by deposit of title deeds of certain tea estates of the Company.
4. Secured by joint mortgage on pari-passu first charge basis for certain term lenders and on pari-passu second charge basis for certain working capital bankers, by deposit of title deeds with IDBI Trusteeship Services Limited (ITSL), in respect of all the immovable properties, of the Company situated at JL 126 Mouza Basudevpur, P.S. Sutahata, Haldia, District Midnapore in the State of West Bengal together with all the buildings and structures thereon including fixed plant and machinery and fixtures and fittings permanently fastened to the earth or fastened to anything attached to the earth.
5. Pledge of 53,047,007 shares of South Asian Petrochem Limited held by the Company
6. Secured by personal Guarantee of two of the Directors of the Company.
7. First charge by way of hypothecation ranking pari-passu over all present and future inventories, consumables, stores and spares, book- debts and all other moveables for all working capital bankers and second charge on the same for all term lenders.
8. First charge by way of hypothecation on all moveable fixed assets ranking pari-passu with other term lenders.
9. Out of total term loans taken from banks, Rs 4,458.12 lacs represents loan taken from Bank of Baroda, London which is secured by charge mentioned in note 4 and 8 onl.
9. Secured by hypothecation of respective vehicles financed.
10. Secured/to be secured by hypothecation of respective machines purchased there against.

4 UNSECURED LOANS				
Fixed Deposits		6.65		7.40
Short Term Loan - from Bank * #		1,917.10		1,999.25
- from Bodies Corporate		20.00		20.00
Zero percent Foreign currency convertible bonds ^		7,864.00		7,864.00
		9,807.75		9,890.65

Notes :

* Includes FCNR (B) loan of Rs 91,710,000 (Previous year - Rs 99,925,000)

taken against personal guarantee of the promoter-director of the Company

^ Refer Note 3 of Schedule 17

Schedules forming part of the Consolidated Accounts

(Rs. in Lacs)

5 FIXED ASSETS														
particulars	GROSS BLOCK						DEPRECIATION/amortization						NET BLOCK	
	Cost as at 31.03.2008	Acquisition by scheme of amalgamation	Additions on Consolidation	Additions	Sale or Adjustments	Total cost as at 31.03.2009	Upto 31.03.2008	Acquisition by scheme of amalgamation	Additions on Consolidation	For the year ended 31.03.2009	Sale or Adjustments	Total upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Freehold Land	397.61	-	-	-	-	397.61	-	-	-	-	-	-	397.61	397.61
Leasehold Land and Estate Development	1,792.76	-	-	34.01	-	1,826.77	42.14	-	-	13.24	-	55.38	1,771.39	1,750.62
Buildings	7,700.16	-	-	1,324.00	452.04	8,572.12	1,521.67	-	-	182.8	329.22	1,375.32	7,196.79	6,178.49
Plant & Machinery	40,813.34	-	-	1,144.46	356.53	41,601.27	11,445.10	-	-	2,157.38	322.06	13,280.42	28,320.86	29,368.25
Furniture and Fixtures	201.35	-	-	68.10	2.90	266.55	128.23	-	-	12.78	0.73	140.28	126.27	73.12
Vehicles	745.30	-	-	154.88	60.10	840.08	363.92	-	-	60.96	46.24	378.64	461.45	381.38
Intangibles : (Other than internally generated)														
Technical Knowhow	2,391.26	-	-	-	122.82	2,268.44	1,099.84	-	-	233.00	-	1,332.84	935.60	1,291.42
Computer software	69.08	-	-	-	-	69.08	58.49	-	-	5.13	-	63.62	5.45	10.59
Total	54,110.86	-	-	2,725.45	994.39	55,841.92	14,659.39	-	-	2,665.36	698.25	16,626.50	39,215.42	39,451.47
Previous year	5,364.80	4,222.49	45,216.10	138.12	830.65	54,110.87	2,034.03	2,191.40	10,343.17	276.48	185.69	14,659.39	39,451.47	

Notes :

- Quality Upgraded subsidy & Irrigation subsidy amounting to Rs 21.14 lacs (Previous year : Rs 4.09 lacs) and Rs 14.58 lacs (Previous year : Rs Nil) respectively received during the year under Tea Board Quality Upgradation & Product Diversification and Irrigation Subsidy Schemes has been adjusted against the cost of the respective assets.
- The Assam Government has acquired in total 793.05 hectares of land under the Assam Fixation of Ceiling on Land Holdings Act, 1956 and P.W.D. has acquired 4 hectares of land for construction of public road. Pending the receipt/finalisation of compensation money from the authorities in respect of the above acquisition, no adjustment in this regard has been made in these accounts.
- Machinery (Gross Block) includes items acquired under Hire Purchase Scheme of Rs 904,000 (Previous year: Rs 904,000).
- Amount of borrowing cost capitalised during the year Rs 36.02 lacs (Previous year Rs Nil).

	As at 31.03.2009		As at 31.03.2008	
6 INVESTMENTS				
Long Term Investments				
Government/ Trust Securities - Unquoted		0.28		0.28
Investment in Associate Company	126.11		126.11	
Goodwill arising on acquisition	174.00		174.00	
	300.11		300.11	
Add:- Accumulated share in profit/(loss) of the associate company at the beginning of the year	52.39		15.47	
Add:- Share in profit/(loss) of the associate company during the year	(7.30)	345.20	36.92	352.50
Equity Shares - Quoted, fully paid up		4,475.57		4,529.51
Equity Shares - Unquoted, fully paid up		255.36		255.37
Mutual Funds		500.00		2,500.00
Current Investments				
Mutual Funds		452.30		1,568.93
		6,028.71		9,206.59



Schedules forming part of the Consolidated Accounts

(Rs. in Lacs)

	As at 31.03.2009		As at 31.03.2008	
7 INVENTORIES				
Stores, Spares and Packing materials (including in transit)		1,727.78		1,292.19
Raw Materials		3,528.73		8,285.17
Finished Goods (including in transit & with consignment agents)		3,823.71		4,169.19
Work in Progress		109.12		130.71
		9,189.34		13,877.26
8 SUNDRY DEBTORS - UNSECURED (Considered Goods)				
Debts Outstanding for more than Six Months		14.67		32.98
Other Debts (Includes Rs 12,386.92 lacs, Previous year Rs 624,6.04 lacs on account of bills discounted with Banks)		18,068.71		11,739.76
		18,083.38		11,772.74
9 CASH AND BANK BALANCES				
Cash in hand		10.87		15.55
Remittance in transit		5.54		7.83
Cheques/ Drafts in hand		572.44		208.28
Balances with Scheduled Banks				
On Current Accounts				
Export Earners Foreign Currency Account		2.86		199.79
Others		2,118.32		1,908.79
On Deposit Accounts		29,302.99		18,678.91
Balance with Other Banks in Foreign Currency				
ABC Bank, Egypt current account		3.25		5.68
Bank of America		-		0.81
CITI Bank		-		0.01
Balances with Non Scheduled Banks				
On Current Account with Lakhimi Gaonila Bank (Maximum amount outstanding during the year Rs 44. Previous year Rs 123)		-		* -
* represents amount below Rs 1,000				
		32,016.27		21,025.65
10 OTHER CURRENT ASSETS				
Interest Receivable		57.77		30.12
Other Receivable		80.94		170.29
		138.71		200.41
11 LOANS AND ADVANCES				
(Unsecured, Considered good unless otherwise stated)				
Advances recoverable in cash or in kind or for value to be received		11,277.27		296.50
Loans to Bodies Corporate and Others		192.00		7,951.75
Deposits with Govt. authorities and Others (Refer Note 7 of Schedule 17)		212.04		398.84
Deposit with NABARD u/s 33AB of Income Tax Act, 1961		2.02		112.02
Advance Tax (net of Provision)		352.86		111.52
		12,036.19		8,870.63

Schedules forming part of the Consolidated Accounts

(Rs. in Lacs)

	As at 31.03.2009		As at 31.03.2008	
12 CURRENT LIABILITIES AND PROVISIONS				
A. Current Liabilities				
Sundry Creditors				
Dues to Micro and Small Enterprises (Refer Note 13 on Schedule 17)		11.59		21.07
Dues to Others		17,678.86		19,328.42
Other Liabilities		4,749.20		4,592.65
Interest accrued but not due on Loans		154.24		154.67
		22,593.89		24,096.81
B. Provisions				
For Taxation (net of advance)		-		-
For Retirement benefits		313.17		274.28
For Proposed Dividend		292.77		234.22
For Corporate Dividend Tax (Refer Note 16 of Schedule 17)		158.49		198.11
		764.43		706.61

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

	Year ended 31.03.2009		Year ended 31.03.2008	
13 (DECREASE)/INCREASE IN STOCK				
Closing Stock				
Finished Goods		3,932.83		* 702.94
Less :				
Opening Stock				
Finished Goods - Tea		** 4,299.90		940.01
Increase / (Decrease)		(367.07)		(237.07)

* represents stock of Dhunseri Tea & Industries Limited only

** represents stock of Dhunseri Tea & Industries Limited & South Asian Petrochem Limited

14 INCOME - OTHERS				
Dividend on Long Term Investments.		33.84		6.34
Profit/(loss) on Sale of Fixed Assets(Net)		4.32		20.97
Rent Received		0.86		1.82
Profit/(loss) on Sale of Investments (Net)		40.61		1,129.38
Liability no longer required written back		0.87		6.48
Replantation Subsidy		10.40		6.11
Orthodox Subsidy		37.44		56.24
Quality Upgradation Subsidy		-		-
Irrigation Subsidy		-		-
Central Interest Subsidy		-		41.52
Interest on Fixed Deposit		-		-
Service Charge Received		952.79		-
Miscellaneous		310.09		48.20
		1,391.22		1,317.06



Schedules forming part of the Consolidated Accounts

(Rs. in Lacs)

	Year ended 31.03.2009		Year ended 31.03.2008	
15 CULTIVATION, MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES				
Salary, Wages and Bonus		3,127.94		2,478.41
Contribution to Provident Fund and Other Funds		315.45		196.41
Workmen and Staff Welfare Expenses		349.90		288.73
Consumption of Stores and Spares		1,275.89		929.68
Power and Fuel		5,723.72		872.90
Raw material consumed		85,913.59		-
Green Leaf Purchase		1,927.37		1,576.30
Excise Duty & Cess		73.95		138.91
Repairs and Maintenance				
To Plant and Machinery	146.20		69.42	
To Building	58.96		53.94	
To Others	387.90	593.06	160.30	283.66
Rent		109.31		37.33
Rates and Taxes		98.43		25.55
Advertisement (Sales)		69.46		81.94
Insurance		230.41		39.40
Travelling and Conveyance		70.36		48.22
Freight		5,993.28		376.63
Brokerage on Sales		51.39		57.08
Commission on Sales		1,311.94		77.52
Other Selling Expenses		975.61		227.85
Director's Fees		36.07		16.15
Charity and Donations		6.90		6.09
Miscellaneous Expenses		1,748.45		229.26
Profit/(Loss) on Sale of Investments (Net)		163.23		-
Advances / deposit written off		19.35		3.65
Fixed Assets Written off		0.28		7.49
Provisions For Obsolete Stores		-		5.00
Exchange Loss		5,175.01		16.00
		115,360.35		8,020.16

16 INTEREST AND FINANCE CHARGES

On Fixed Loan		1,185.60		510.02
On Others	1,931.25		190.35	
Less : Interest on Deposit with Bank and NABARD	1,535.95		31.96	
[Tax Deducted at Source Rs 100,000 (Previous Year Rs 60,000)]		395.30		158.39
: Other Interest on Loans etc. (Gross) [Tax deducted at source Rs 575,000 (Previous year Rs 404,000)]				
Finance Charges		10.44		4.90
		1,591.34		673.31

Schedules forming part of the Consolidated Accounts

17 NOTES ON ACCOUNTS

1. PRINCIPLES OF CONSOLIDATION

- a) The Consolidated Financial Statements pertain to Dhunseri Tea & Industries Limited (the Company) and its subsidiaries & associates, the details of which are given below under Section A.

The list of subsidiaries and associates of Dhunseri Tea & Industries Limited is given below:

Name of the Companies	Category	Country of Incorporation	Proportion of Ownership Interest
Section A			
South Asian Petrochem Ltd. (SAPL)	Subsidiary	India	50.01%
Dhunseri Polycarbonate Ltd. *	Subsidiary	India	50.11%
Madhuting Tea Pvt. Ltd.	Associate	India	50.00%
* 99.70% subsidiary of SAPL			
Section B			
Egyptian Indian Polyester Company S.A.E #	Subsidiary	Egypt	35.01%
South Asian Petrochem USA, LLC #	Subsidiary	USA	50.01%
# 70% and 100% subsidiaries of SAPL respectively.			

The Consolidated financial statements does not include the financial statements of (a) South Asian Petrochem USA, LLC as the net assets of the Company has already been included in the SAPL books after the Company was terminated with effect from 9th April 2008, and (b) Egyptian Indian Polyester Company S.A.E as the first financial period of the said Company will end only on 31st December 2009.

- b) The effect of acquisition and disposal of subsidiary companies during the year on the consolidated financial statements is as under -

(Rs. in Lacs)

Name of Companies	Net Assets as at 31.03.2009	Net Assets as at 31.03.2008	Effect on profit/(loss) for the year ended 31.03.2009	Effect on profit/(loss) for the year ended 31.03.2008
South Asian Petrochem Ltd. (SAPL)	N.A.	38,578.16 @	N.A.	N.A.
Dhunseri Polycarbonate Limited (DPL)	499.51	N.A.	N.A.	N.A.

@ including net assets of South Asian Petrochem USA, LLC

- c) i) The financial statements of the Company and its subsidiary companies has been consolidated on a line-by-line basis by adding together the book values of like items of assets and liabilities and are presented to the extent possible, in the same manner as the Company's independent financial statements. Dhunseri Polycarbonate Limited had been incorporated during the year as on 17th April 2008 and had no manufacturing or trading operation during the year, so no Profit and Loss Account was prepared for it.
- ii) Investments in associate companies have been accounted for, by using equity method whereby investment is initially recoded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Company's share of net assets of the associate.
- iii) The consolidated financial statements have been prepared using the same accounting policies as that of the Company except for depreciation on Computer accessories and mobile phones of SAPL which are being written off over a period a period of 3 years and 2 years respectively as per straight line method, total of such depreciation being Rs 6.65 lacs (Previous year Rs 22.68 lacs which has a consequential impact on the written down value of these fixed assets. Total depreciation of these assets in the consolidated financial statements is Rs 7.72 lacs (Previous year: Rs 25.92 lacs)
- iv) Further, the accounting policies used by the associate differ with those adopted for the consolidated financial statements in case of depreciation on fixed assets which is provided on written down value method



Schedules forming part of the Consolidated Accounts

17 NOTES ON ACCOUNTS (Contd...)

- d) Capital Reserve as at 31st March 2009 comprise of the following:
 - i) Capital reserve amounting to Rs 4,988.22 lacs has arisen on consolidation of accounts between the Company and its subsidiary SAPL, being the excess of share of equity in the subsidiary by the Company as on the date of acquisition over its carrying value of investments in such subsidiary.
 - ii) Goodwill of Rs 6.08 lacs has arisen on consolidation of accounts of SAPL and its subsidiary DPL, which has been netted off with the above capital reserve.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Convention

The accounts have been prepared to comply in all material respects with applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and other relevant provisions of the said Act

b) Basis of Accounting

The financial statements have been prepared in accordance with historical cost convention. All expenses and income, unless specifically stated to be otherwise, have been accounted for on accrual basis. Replantation subsidy, other claims and refunds etc., which are not ascertainable with reasonable accuracy, are accounted for on receipts/acceptance of the same.

c) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost includes cost of acquisition, custom duties, taxes, incidental expenses relating to acquisition and installation.

Expenditure incurred towards estate development during the first year is capitalised and the expenses incurred thereafter in subsequent years and cost of replanting in existing areas are charged to revenue.

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets

An impairment loss is recognised when applicable, when the carrying value of fixed assets exceeds the market value or value in use, whichever is higher.

Expenditure during construction period: With respect to expenditure during construction period all expenses related to the project and incidental thereto are disclosed under Capital Work-In-Progress and are to be capitalised subsequently upon completion of the project.

Other indirect expenses which are not related to the project are disclosed under "Miscellaneous Expenditure" and will be charged off in the year of commencement of commercial production when the first Profit & Loss Account will be drawn up.

d) Depreciation

Depreciation on fixed assets other than Land and Estate Development has been provided on Straight-Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.

Computer Software is amortised over 5 years. Other intangible assets over 10 years.

Assets costing below Rs 5,000/- each are fully depreciated in the year of addition.

Lease-hold land is amortised over the effective period of lease.

e) Investments

Long term Investments are stated at cost. Diminution in value, if any, which are not temporary in nature, are adjusted there from and recognised in the financial statements. Current Investments if any are valued at lower of cost and fair value of such investments.

f) Inventories

Inventories are valued at lower of cost or net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition and includes appropriate overhead.

Cost in respect of stores, spares and packing materials are determined at weighted average.

Provision is made for obsolete and slow-moving stock where necessary.

Schedules forming part of the Consolidated Accounts

17 NOTES ON ACCOUNTS (Contd...)

g) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the transaction date. Exchange differences arising on settlement of transactions or on reporting at year end rates are recognised as income or as expenses in the period in which they arise. Monetary assets and monetary liabilities in foreign currency at the balance sheet date are restated at the year end exchange rates and the resultant fluctuation is recognised as exchange gain or loss made during the year. Non monetary items, if any, which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

The premium or discount arising at inception of a forward exchange contract, if any, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

h) Employee Benefits

The Company operates defined contribution schemes for Provident and Pension Fund. Contributions to these funds are made, based on fixed percentages of basic salary to the appropriate authority. Contributions to the pension Funds along with interest accumulated during the service period of such employee are utilised to buy pension annuity from the LIC. Contributions to both the funds are accounted for on accrual basis.

The Company also provides for retirement benefits with defined benefits in the form of Gratuity. Annual contributions for Gratuity are made by the Company based on actuarial valuation carried out every year at the year end to a trust and Life Insurance Corporation of India (LIC) respectively, with respect to the funded benefits. Actuarial gains and losses are recognised immediately in the profit and loss account. Liabilities in respect of the unfunded plans are calculated by an independent actuary at the year-end and provided for.

The obligation for long term employee benefits, i.e., leave encashment is recognised in the same manner as in the case of defined benefit plans as mentioned above.

Short term employee benefits are recognised as an expense in the profit and loss account of the year in which the related service is rendered.

i) Revenue Recognition

Revenue from sale of goods are recognised upon passing of title to the consumer. Sales are recorded net of sales tax and excise duties. Export sales are recognised on the basis of Bill of Lading.

j) Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period as per prevailing taxation laws under the Income Tax Act, 1961

Deferred tax is recognised, at the current rates of taxation, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets in respect of carried forward losses and / or unabsorbed depreciation are recognised only when it is virtual certain and in respect of other assets where there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

k) Provisions

A provision is recognised when there is a present obligation as a result of a 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.

l) Borrowing Cost

Borrowing cost that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised till substantial completion of all the activities that are necessary for this if any, otherwise borrowing cost are charged to revenue.

m) Grants / Subsidies

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets.



Schedules forming part of the Consolidated Accounts

17 | NOTES ON ACCOUNTS (Contd...)

Other subsidies are accounted for on accrual basis when one is reasonably certain of its receipt. Duty drawbacks are recognised as deduction in reporting the related expenditure.

n) Miscellaneous Expenditure

Miscellaneous expenditure represents preliminary expenses which are amortised over a period of 5 years.

3. Foreign Currency Convertible Bonds (FCCB)

- a) The Company had issued 200 Zero Percent Unsecured Foreign Currency Convertible Bonds (FCCB) of US\$ 100,000 each aggregating to US\$ 20 million in the previous year 2007-08. The bonds are redeemable on 23rd January 2013 at 136.86% of their principal amount. The bond holders have an option to convert these bonds into equity shares at an initial conversion price of Rs 22.50 per share, with a fixed rate of exchange on conversion of Rs 39.32 (US\$ 1), subject to certain adjustments. The Bonds may also be redeemed, in whole but not in part, at the option of the Company at any time, subject to certain conditions. Also the Company has an option requiring mandatory conversion of all the outstanding bonds on or after 16th January 2011 and up to 14th January 2013.

The future cash flows if any cannot be determined at this stage.

The Company is of the view that the subject bonds may not ultimately be redeemed as the same may be convertible into equity shares within the assigned date and hence has not considered the effect of realignment of the bond value and also not provided for premium on redemption of the said bonds. However, the Company is contingently liable for the same.

- b) The net proceeds of Rs 7,864 lacs from the issue of the FCCB, pending utilization has been included in Cash and Bank Balances.

4. Contingent liabilities not provided for in respect of certain possible obligations which may arise at a later date, with respect to:

- i) show cause notices received from the Customs and Service tax department amounting to Rs 6,875.78 lacs (Previous year Rs Nil) which is being contested by the Company. A part of the demand pertaining to interest and penalty is not quantifiable.
- ii) obtaining renewal of lease of a tea estate from the Government
- iii) a title suit pending in the district civil court over a certain portion of land
- iv) claims that may arise in future towards post employment benefits of certain employees

Liability in respect of the above is not ascertainable at this stage and the future cash flows on account of the above cannot be determined unless the judgement / decisions / demand are received from the appropriate forums.

5. Estimated amount of contracts remaining to be executed on capital account Rs 3,948.49 lacs (Previous year Rs 5.18 lacs)

6. Employee Benefit Obligation

A. Defined Contribution Plans

Contribution for Defined Contribution Plan amounting to Rs 237.59 lacs has been recognised as an expense and included in Schedule 15 "Contribution to Provident Fund and Other Funds" in the Profit & Loss Account.

Schedules forming part of the Consolidated Accounts

17 NOTES ON ACCOUNTS (Contd...)

B. Defined Benefit Plans

(Rs. in Lacs)

	31.03.2009		31.03.2008	
	Gratuity (Funded)	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)
1. Retirement Benefits				
a) Expense recognised in the statement of Profit & Loss Account for the year ended 31st March 2009				
Current Service Cost	51.23	6.02	49.15	-
Interest Cost	61.09	1.46	128.50	-
Expected return on plan assets	(49.25)	-	(44.96)	-
Net actuarial (gain)/loss recognised during the year	14.93	4.51	(128.98)	-
Total Expense recognised in the statement of Profit & Loss Account	78.00	11.99	3.71	-
b) Net(Asset)/Liability recognised in the Balance Sheet as at 31st March 2009				
Present Value of the Defined Benefit Obligation as at 31st March 2009	837.51	26.77	791.46	18.53
Fair value of Plan assets as at 31st March 2009	617.32	-	613.81	-
Net(Asset)/Liability recognised in the Balance Sheet	220.19	26.77	177.65	18.53
c) Actual return on plan assets				
Expected return of Plan Assets	49.25	-	44.96	-
Actuarial gain/(loss) on plan assets	(16.54)	-	(4.37)	-
Actual Return on Plan Assets	32.71	-	40.59	-
d) Change in Defined Benefit Obligation during the Year ended 31st March 2009				
Present value of Defined Benefit Obligation as at 1st April 2008	791.45	18.53	819.75	14.30
Current Service Cost	51.23	6.02	49.15	5.07
Interest Cost	61.09	1.46	128.50	1.23
Benefits Paid	(64.65)	(3.75)	(72.61)	(0.11)
Actuarial(gain)/loss on Obligation	(1.61)	4.51	(133.34)	(1.96)
Present value of Defined Benefit Obligation as at 31st March 2009	837.51	26.77	791.45	18.53
e) Change in Assets during the year 31st March 2009				
Fair Value of Plan Assets as at 1st April 2008	613.81	-	599.43	-
Expected Return on Plan Assets	49.25	-	44.96	-
Contributions Made	35.45	-	46.40	-
Benefits Paid	(64.65)	-	(72.61)	-
Actuarial gain / (loss) on Plan Assets	(16.54)	-	(4.37)	-
Fair value of Plan Assets as at 31st March 2009	617.32	-	613.81	-

2) Long Term Employee Benefits (Leave Encashment)

(Rs. in Lacs)

	31.03.2009	31.03.2008
Expenses recognised in the statement of Profit & Loss Account for the year ended 31st March 2009 *		
Current Service Cost	10.13	0.94
Interest Cost	5.11	3.60
Net actuarial (gain)/loss recognised during the year	8.86	2.74
Plan amendments	1.54	-
Total Expense recognised in the statement of Profit & Loss account *	25.64	7.28

* included in Schedule 15 "Contribution to Provident Fund and Other Funds"



Schedules forming part of the Consolidated Accounts

17 NOTES ON ACCOUNTS (Contd...)

Major categories of Plan Assets as a percentage of Total plan as at 31st March 2009

	31.03.2009	31.03.2008
Investment with Private Insurance Companies	31.31%	28.65%
Administered by Life Insurance Corporation of India	25.58%	26.60%
Special Deposit & Bonds	19.41%	21.65%
Others	23.69%	23.10%

Actuarial Assumptions

	Gratuity (Funded)	Gratuity (Unfunded)	Leave Encashment
Mortality Table	LICI-1994-1996	LICI-1994-1996	LICI-1994-1996
Discount rate	8.00%	8.10%	7.50%/8.10%
Inflation rate	5.00%	5.00%	5.00%
Expected Return on Plan Assets	8.00%	—	—

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risk of asset management and other relevant factors.

The present value obligation for gratuity and pension plans have been determined based on actuarial valuation using the Projected Unit Credit Method.

Brief description of the Defined Benefit Plans

Gratuity

The Company operates gratuity plan (administered through gratuity fund trusts and managed by Life Insurance Corporation of India (LICI)/ trustees themselves (with respect to the funded plans) wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service, subject to a maximum limit of Rs 3.50 lacs. The same is payable on retirement or termination of service, whichever is earlier. The benefit vests after five years of continuous service. Annual contributions based on actuarial valuation carried out at the year end are made to LICI and the gratuity fund trusts under group gratuity scheme with respect to the funded plans.

Leave Benefit

Leave benefit comprises of leave balances accumulated by the employees (with no maximum limits) which can be encashed any time during the tenure of service / retirement / death or exit. Liability for leave encashment is provided for based on actuarial valuation carried out annually at the year end.

- Deposits with Govt. Authorities and others include Rs 79.10 lacs (Previous year – Rs 79.10 lacs) being deposit for use of office space, with a private limited Company in which Directors of the Company are interested as Director.
- The major components of the Deferred Tax Assets/Liabilities based on the tax effect of the timing differences, as at 31 March 2009 are as under:

	As on 31.03.2009	As on 31.03.2008
<i>(Rs. in Lacs)</i>		
Deferred Tax Assets		
Expenditure u/s 43B of Income Tax Act, 1961	69.57	153.48
Capital Loss u/s 54 of Income Tax Act, 1961	5.29	—
Unabsorbed Depreciation	4,710.75	4,009.04
Others	10.05	8.00
	4,795.66	4,170.52
Deferred Tax Liabilities		
Depreciation	7,460.82	6,359.31
Others	19.40	19.40
	7,480.22	6,378.71
Net Deferred Tax Liabilities	2,684.56	2,208.19

Schedules forming part of the Consolidated Accounts

17 NOTES ON ACCOUNTS (Contd...)

9. Related Party disclosures in accordance with the Accounting Standard - 18 issued by the Institute of Chartered Accountants of India -

I Names of related parties and description of relationship:

- a) Group / Associate Companies
- Madhuting Tea Private Limited
 - Naga Dhunseri Limited
 - Triplex Investment Private Limited
 - Mayfair India Limited
 - Mint Investments Limited
 - Plenty Valley Intra Limited
 - Khaitan & Co.
- b) Key Management Personnel
- Mr. C.K. Dhanuka, Managing Director
- c) Relative of Key Management Personnel
- Mr. Mrigank Dhanuka, Director (son of Mr. C.K. Dhanuka)
- d) Employees' Benefit Plans where there is significant influence:
- Dhunseri Tea & Industries Limited Employees' Gratuity Fund
 - Tezapore Tea Co. Limited Employees' Gratuity Fund
 - Dhunseri Tea & Industries Limited Executive Superannuation Scheme
 - Tezapore Tea Co. Executive Superannuation Fund

II Transactions with related parties

(Rs. in Lacs)

SI No.	Related Party	Nature of balance	Outstanding as on 31.03.2009	Outstanding as on 31.03.2008	Nature of transaction	Year ended 31.03.2009	Year ended 31.03.2008
A)	Madhuting Tea Pvt. Ltd.	Payable	0.09	0.03	Purchase of goods	0.06	0.03
					Sales of goods	0.07	
B)	Naga Dhunseri Group Ltd.		-	-	Services received	2.27	1.99
					Purchase of Fixed Assets	637.84	
					Reimbursement of expenses		
C)	Triplex Investments (Pvt.) Ltd.	Receivable	78.76	78.81	Services received	77.87	49.00
		Payable	0.56	-	Services rendered	0.76	1.82
					Advances given	66.00	-
					Purchase of Fixed Assets	353.85	-
D)	Mayfair India Ltd.		-	-	Services received	-	0.75
E)	Mint Investments Ltd.	Payable	2,044.18	2,044.18	Purchase of Investments	-	2,044.18
					Services received	12.19	-
F)	PlentyValley Intra Limited	Payable	827.50	827.50	Purchase of Investments	-	827.50
G)	Khaitan & Co.	Receivable	1.60	0.15	Services received	15.52	4.58
H)	C.K. Dhanuka	Payable	38.92	2.21	Remuneration paid	25.47	15.26
					Security deposit received	25.00	-
					Rent Received	0.05	-
					Sitting fees	1.45	2.00
I)	Mrigank Dhanuka		-	-	Sitting fees	0.21	0.39
					Security deposit received	25.00	-
					Rent Received	0.05	-
					Remuneration paid	47.37	45.65
J)	Dhunseri Tea & Industries Limited Employees' Gratuity Fund	Payables	53.41	36.59	Contributions during the year	34.91	45.66
K)	Tezapore Tea Co. Limited Employees' Gratuity Fund	Payables	166.79	141.06	Contributions during the year	0.54	0.74
L)	Dhunseri Tea & Industries Limited Executive Superannuation Scheme		-	-	Contributions during the year	3.74	2.87
M)	Tezapore Tea Executive Superannuation Fund		-	-	Contributions during the year	2.73	3.86



Schedules forming part of the Consolidated Accounts

17 NOTES ON ACCOUNTS (Contd...)

Note :

The management certifies that there have been no payments, other than those disclosed above, to key management personnel and / or their relatives and/or to any other related party.

10. Basic and Diluted Earnings per share: -

	For the year ended 31.03.2009	For the year ended 31.03.2008
Profit after Minority Interest (Rs in. Lacs)	1,399.53	1,387.95
Number of Equity Shares of Rs 10/- each	11,710,895	11,710,895
Basic and Diluted Earning per share (Rs.)	11.95	11.85

11. Segment Reporting

Primary Segment Report - Business Segments

(Rs. in Lacs)

	Year ended 31.03.2009			Year ended 31.03.2008		
	Pet Resins	Tea	Total Enterprise	Pet Resins	Tea	Total Enterprise
Segment Revenue-Sales to external customers	111,123.38	10,583.87	121,707.25	-	9,292.46	9,292.46
Segment Result	1,555.42	1,491.06	3,046.48	-	1,351.05	1,351.05
Total carrying amount of Segment Assets	109,392.82	10,037.70	119,430.52	96,904.06	8,730.96	105,635.02
Total amount of Segment Liabilities	69,360.58	9,833.73	79,194.31	57,099.96	10,296.23	67,396.19
Total cost incurred during the period to acquire segment assets	3,124.33	905.95	4,030.28	-	170.64	170.64
Total amount of depreciation and amortisation	2,406.46	260.85	2,667.31	-	276.48	276.48
Total amount of significant non-cash expenses	60.25	-	60.25	-	-	-

Secondary Segment Report - Geographical Segment

	Year ended 31.03.2009				Year ended 31.03.2008			
	Export	Domestic	Unallocated	Total	Export	Domestic	Unallocated	Total
Segment Revenue-Sales (External revenue)	64,636.64	57,070.61		121,707.25	-	9,292.46		9,292.46
Total carrying amount of segment assets	15,200.50	11,846.85	92,383.17	119,430.52	9,999.50	9,457.16	86,178.36	105,635.02
Total cost incurred during the period to acquire segment assets	-	-	4,030.28	4,030.28		170.64	-	170.64

1. The Company has considered business segment as the primary segment for disclosure. The components of these business segments are Pet Resins and Tea
2. The segment wise revenue, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments.
3. The geographical segments are organised as Domestic and Exports, based on location of customers.
4. The current year figures are not comparable with the previous year since the acquisition of the subsidiary (SAPL) was made as on 31st March 2008

Schedules forming part of the Consolidated Accounts

17 NOTES ON ACCOUNTS (Contd...)

12. The Company has taken various office premises under leave and licence agreement having tenures of 11 months/ 3 years / 5 years and has no specific obligations for renewal. Lease rent for the year debited to the profit & Loss A/c amounts to Rs 85.62 lacs.

Apart from above the Company has taken a motor vehicle on non-cancellable operating lease and lease rent amounting to Rs 6.92 lacs. The future minimum lease payments as on 31st March 09 are as under:

Particulars	(Rs. in Lacs)	
	2008-09	2007-08
Not later than one year	6.92	6.92
Later than one year and not later than five years	12.68	19.60
Later than five years	-	-

13. The Company has amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) as at 31st March 2009. The disclosure pursuant to the said Act is as under:

Sl. No.	Particulars	31.03.2009	31.03.2008
i)	Principal amount remaining unpaid to any supplier as at the end of the year	9.87	19.98
	Interest remaining unpaid to any supplier as at the end of the year	1.72	1.09
ii)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	Amount of the payment made to the suppliers beyond the appointed day during the year;	34.71	13.34
iii)	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv)	Amount of interest accrued and remaining unpaid at the end of the year	0.63	1.09
v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	1.09	1.09

14. Other Liabilities include Rs 3,782.03 lacs on account of purchase of 228.52 lacs (Previous year: 228.52 lacs) Equity Shares of South Asian Petrochem Ltd. from certain group companies (sellers) whereby the purchase consideration is payable within five years from the purchase date (i.e., 31st March 2008) at the option of the sellers, either in cash or by converting the consideration into Equity Shares of the Company at a value to be determined by an independent chartered accountant and as per SEBI Guidelines.
15. a) Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise is Rs 43,878.00 lacs (Previous year Rs 34,119.63 lacs).
- b) Outstanding Forward Contracts as on 31st March 2009 taken to hedge various foreigncurrency Receivables is Rs 8,054.01 lacs (Previous year Rs 3,809.23 lacs).
16. Corporate Dividend Tax (CDT) represents amount of tax payable by SAPL. No provision for CDT is required to be made in the accounts of the Company for the dividend proposed for the current year in view of Section 115-O (1A) of the Income Tax Act, 1956.
17. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Company's financial statement.
18. Since the acquisition of the subsidiary was made on 31st March 2008, the revenue items (including the results) disclosed in the consolidated financial statements for the previous year represent those of the Company only. Accordingly, the current year figures are not comparable with the previous year.



Consolidated Cash Flow Statement

For the year ended 31st March 2009

(Rs. in Lacs)

	Year ended 31.03.2009	Year ended 31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,114.36	1,402.50
Adjustments for:		
Interest received	(1,535.95)	(31.96)
(Profit)/Loss on sale of assets	4.47	(20.97)
Dividend income	(33.84)	(6.35)
Profit/(Loss) on investments (net)	122.62	(1,129.38)
Interest and finance charges	3,127.28	705.27
Depreciation and amortisation	2,665.36	276.48
Fixed Assets Written off	0.28	7.49
Advances / deposit written off	21.69	3.65
Liabilities no longer required written back	0.87	(6.48)
Provision for obsolete stores	-	5.00
Unrealised foreign exchange difference-net (gain)/loss	5,175.01	16.00
Provision for Wealth Tax	1.36	-
Preliminary expenses written off	60.25	-
Operating Profit before Working Capital Changes	12,723.76	1,221.25
Adjustments for:		
Trade and other receivables	(9,064.70)	162.58
Inventories	4,687.92	249.27
Trade payables and other liabilities	(2,222.33)	(99.86)
Cash generated from operations	6,124.65	1,533.24
Direct Taxes (Paid) / Received	(772.03)	(248.08)
Net Cash from Operating Activities	5,352.62	1,285.16
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (incl. movement for capital work-in-progress)	(3,260.03)	(166.62)
Sale of fixed assets	47.88	658.49
Purchase of investments	(10,869.18)	(4,659.72)
Consideration paid on acquisition of subsidiaries	-	(3,459.39)
Sale of investments	13,917.18	9,029.54
Deposits made with third parties	(452.43)	(400.00)
Refund of deposits made with third parties	200.00	305.00
Dividend received	33.84	6.35
Interest received	1,508.30	37.48
Cash and cash equivalents acquired pursuant to scheme of amalgamation	-	63.92
Cash and cash equivalents acquired pursuant to acquisition of subsidiaries	-	20,855.77
Net Cash from Investing Activities	1,125.56	22,270.82
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	12,384.20	29,111.15
Repayment of borrowings	(3,734.31)	(30,910.58)
Dividend paid	(812.68)	(119.94)
Dividend tax on distributable profits	(198.11)	(20.78)
Interest paid	(3,127.08)	(682.27)
Proceeds from Minority holdings	0.40	-
Net Cash from/(used in) Investing Activities	4,512.42	(2,622.42)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	10,990.60	20,933.56
Cash and Cash Equivalents at beginning of the year	21,025.65	92.07
Cash and Cash Equivalents at end of the year	32,016.27	21,025.65
	10,990.62	20,933.58

Notes:

- Cash and Cash Equivalents comprise Cash & Bank balances as per Schedule-9 of the audited accounts.
- The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
- Closing Cash and Cash Equivalents includes effect of exchange rate changes amounting to gain of Rs 219.48 lacs (Previous year loss of Rs 146.11Lacs).
- Previous year's figures have been regrouped / rearranged wherever necessary.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

Prabal Kr. Sarkar
Partner
Membership No: 52340

C.K. Dhanuka
Chairman &
Managing Director

M. Dhanuka
Director

S.R. Daga
Director

P.L. Agarwal
Director

For and on behalf of
Lovelock & Lewes
Chartered Accountants

R.N. Deogun
Director

B.D. Beriwal
Director

A.K. Lohia
Director

Place : Kolkata
Date : 20th June 2009

R. Mahadevan
Secretary

B. Bajoria
Director

B. K. Biyani
Director

Corporate information

Board of Directors

C.K. Dhanuka, *Chairman of the Board, Managing Director & CEO*

P.L. Agarwal

S.R. Daga

B. D. Beriwalla

R.N. Deogun

H. Khaitan

M. Dhanuka

B.K. Biyani

A.K. Lohia

B. Bajoria

Senior Vice President

P.C. Dhandhania

Senior Vice President (D&P)

K.K. Tibrewalla

Chief Financial Officer

P. K. Lath

Company Secretary

R. Mahadevan

Auditors

Lovelock & Lewes

Chartered Accountants

Bankers

State Bank of India

Punjab National Bank

United Bank of India

Bank of Baroda

Development Credit Bank Ltd.

Registered Office

'Dhunseri House'

4A, Woodburn Park, Kolkata-700020

Phone: 2280-1950 (5 Lines)

Fax: 91-33-2287 8350

E-mail: dhunseri@vsnl.com

Tea Estates

Dhunseri Tea Estate, P.O. Mazbat, Assam

Dilli Tea Estate, P.O. Parbatpur, Assam

Namsang Tea Estate, P.O. Jeypore, Assam

Santi Tea Estate, P.O. Hoogrijan, Assam

Bahadur Tea Estate, P.O. Tinsukia, Assam

Hatijan Tea Estate, P.O. Hoogrijan, Assam

Khagorijan Tea Estate, P.O. Sepekhati, Assam

Khetojan Tea Estate, P.O. Tinsukia, Assam

Bettybari Tea Estate, P.O. Mazbat, Assam

Bahipookri Tea Estate, P.O. Mazbat, Assam

Orang Tea Estate, P.O. Mazbat, Assam

Tea Packaging Divisions

SP-534-A, Sitapura Industrial Area, Jaipur, Rajasthan

Dhunseri Tea Estate, P.O. Mazbat, Assam

Stock Exchanges (Listing Fees Paid)

Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers, Dalal street

Mumbai-400001

The National Stock Exchange of India Ltd.

Exchange Plaza, Bandra Kurla Complex

Bandra (E), Mumbai-400 051

Registrars & Share Transfer Agents

Maheshwari Datamatics Pvt. Ltd.,

6, Mangoe Lane, 2nd Floor, Kolkata-700001

Phone: 2243-5029, 2243-5809

Fax: 91-33-2248 4787

e-mail: mdpl@cal.vsnl.net.in

Annual General Meeting

on Thursday, 27th August, 2009 at 11:45 a.m.

at 'KALAKUNJ', Sangit Kala Mandir,

48, Shakespeare Sarani,

Kolkata - 700017



Dhunseri Tea and Industries Limited