



Dhunseri®

Dhunseri Tea & Industries Limited

CIN : L15500WB1997PLC085661

Registered Office : Dhunseri House, 4A, Woodburn Park, Kolkata 700020

Ref.No.DTIL/108/2017/

10.07.2017

BSE Limited
Phiroze-Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

Fax No. : 022-22722037/39/41/61
022-22723121/3719

Scrip Code: 538902

National Stock Exchange of India Ltd.,
Exchange Plaza,,C-1, Block G, 5th Floor
Bandra Kurla Complex,
Bandra (E),
Mumbai-400051

Fax No. : 022-26598237/38

Symbol : DTIL

Dear Sirs,

Sub: Annual Reports & Accounts for the year 2016-17.

Please find attached soft copy of the Annual Reports & Accounts of the Company for the year ended 31st March,2017.

Thanking you,

Yours faithfully
For DHUNSERI TEA & INDUSTRIES LTD.

(R. MAHADEVAN)
Company Secretary

Encl: as above.



Dhunseri Tea & Industries Limited
Annual Report 2016 - 17

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 ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion on future performance. We cannot guarantee that these forward-looking statements will be

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

Continuity of strategic direction and continuous improvement in how we do things, is the key to unlocking our potential.

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About us

- ✿ We are amongst the top ten tea manufacturers globally
- ✿ 10 Tea Estates in Assam and 2 Tea Estates in South Africa
- ✿ 11 Tea Manufacturing facilities
- ✿ 7200 hectares under Tea/Macadamia production
- ✿ Total Tea Production capacity of over 200 lakh kgs
- ✿ Macadamia nuts production of 2.56 lakh kgs
- ✿ Over 5000 employees
- ✿ 5% market share in Branded/Packet tea in India, leadership position in Rajasthan

Corporate Philosophy



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



Corporate Strategy

- ✿ Enhancing tea production by continuous improvement in yield
- ✿ Quality-driven approach in what we do
- ✿ Strengthening sustainable growth by strategic differentiation
- ✿ Boosting the branded/packet tea segment by constantly improving the blend catering to the unique taste of our consumers
- ✿ Drive global growth by expanding production of tea in our estates located in Africa
- ✿ Our aim is to improve the reach of our branded products in Rajasthan in the near term and evolve into a pan-India branded tea player in the long term
- ✿ Our strength is that all our tea is sourced only from our own tea estates spread over Assam
- ✿ We strive to focus on brand building, premiumisation and expanding our distribution network
- ✿ Our strategy is to deliver long term financial performance and increase shareholder value
- ✿ We are committed to growing our revenue while improving the profitability and optimising return on investment



Strategic business initiatives - I

Improving Yield per hectare

We continually replace old bushes with high yielding clonal varieties

Every year, we uproot and replant about 2.5% of area in our Indian tea estates

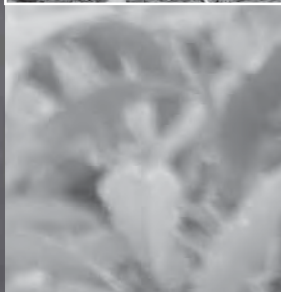
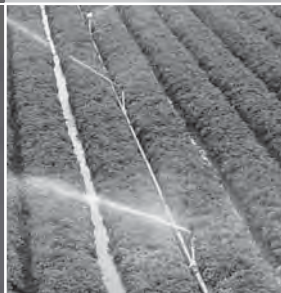
The Company plants 15 lakhs saplings a year

Extended plantation in African Gardens by 60 hectares for tea and 120 hectares for Macadamia

The Company invested in best irrigation facilities to counter drought. Achieved 100% irrigation in our Assam Gardens

Using best agricultural and pest management methods, better plucking, pruning and processing equipments to enhance quality

Our continuous efforts have generated incremental volumes



Strategic business initiatives - II



Quality driven approach

We believe that the quality of product defines the quality of business

We are quality driven and not volume driven company

We are convinced that quality generates customer loyalty and enhanced realisations in all market cycles

We are compliant with best industry practices

Our blending competence deliver consistent color, taste and aroma

Accredited with ISO 22000-2005 Food and Safety Standards

Company's produce has been certified by Trustea, Fairtrade, Rainforest Alliance and HACCP





Sustainable Growth by strategic differentiation

We are focused on long term sustainable business growth

We have expanded geographically in East Africa

We are focused to value addition by embarking on scaling up packet tea business

We are a value-added plantation company, not a commodity tea producer. 35% of our tea production is sold as branded packaged tea

We have invested for long term growth in plantation & production processes

Tea
Estates

12

Tea
manufacturing
facilities

11

Annual
Tea Production

200
lakh kgs

Hectares
under Tea/
Macadamia

7200

Strategic business initiatives - IV



Adding Value boosting Brands

We are brand leader in packaged segment in Rajasthan

We have recently launched our 'Lal Ghora' and 'Kala Ghora' brands in Odisha

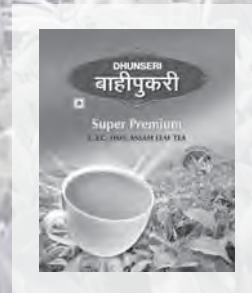
In premium segment, 'Dhunseri Gold' was launched in Rajasthan

Celebrity endorsement of brands by leading Bollywood actress, Hema Malini

We leverage the strength of our distribution network to introduce new products

Increased realisation per kg of tea

Transformation into a value added branded player



Chairman's Statement

We, at Dhunseri Tea, believe in business development as a continuous long-term activity which is independent of market cycles



Dear Shareholders,

It gives me great pleasure to welcome you all to this 20th Annual General Meeting of your Company. I am pleased to inform you, that, in spite of the challenging business environment and adversities faced during the year, we were able to sustain our competitive advantages in both manufacturing and marketing of tea through our efficient and timely actions. We, as always, focussed our endeavours to make better quality tea, which is essential to ensure customer loyalty and enhance realisations.

We believe that the production of quality tea enables us to sustain our brand value resulting in building customers loyalty as well as placing us on an advantageous position to counter competition and devising effective marketing strategies for continued successful business operation of the Company.

The demand for quality remains a key driver of our industry due to increasing affluence and evolving consumer taste for high quality beverages in coming years. It is believed that focus on quality is key to building sustainable brand value for improving margins and profitability in the backdrop of increasing trend of cost escalation. We are constantly monitoring and actively taking steps to effectively control cost increases.

I am also pleased to inform you that we have recently launched packet tea in the State of

Odisha where the market response appears to be encouraging.

Our efforts are also on to identify and explore newer markets for increasing sale of packaged tea in Rajasthan and other states.

We continue to make long term investments to strengthen our business including replacing and replenishment of old bushes.

We continue to invest in brand building. Today nearly 35% of our tea production is sold as branded packet tea.

At Dhunseri Tea, we are positive about our prospects. Tea continues to be the most affordable beverage in the country. The increase in disposable income will generate growing preference for quality teas. We are also looking at vast rural Indian market and its potential in coming years.

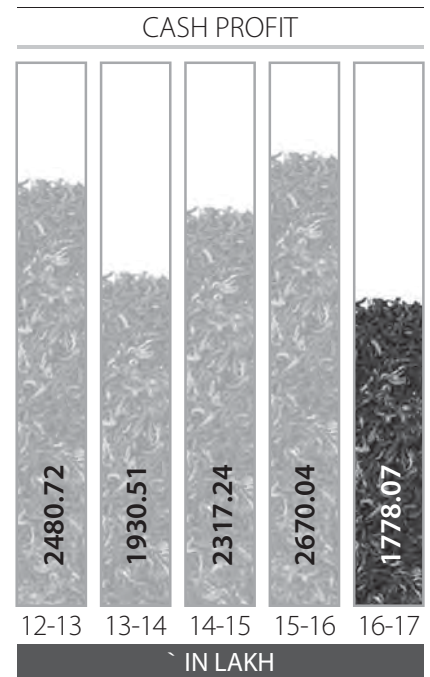
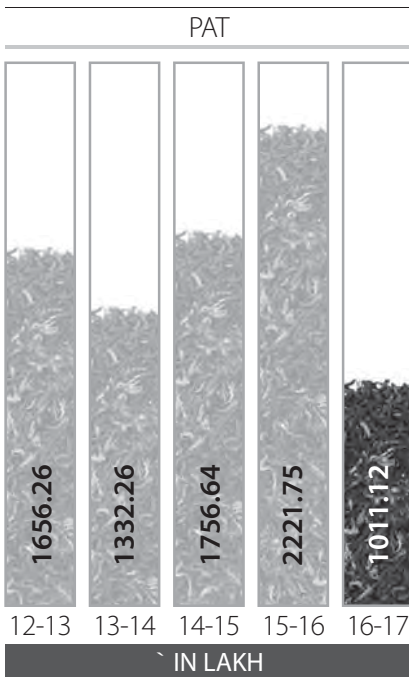
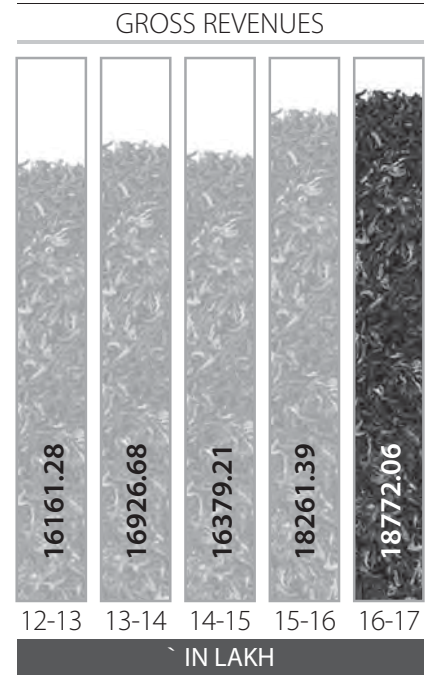
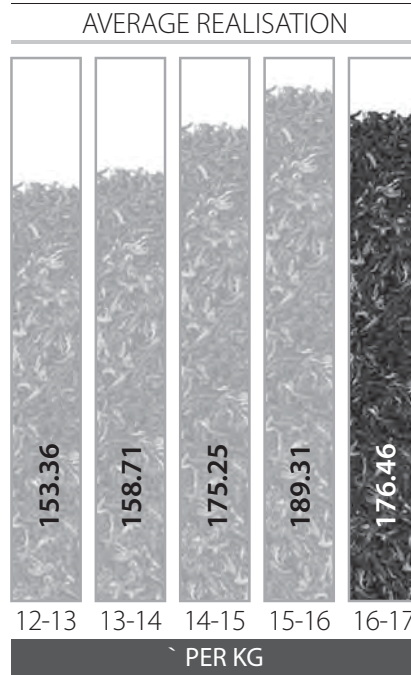
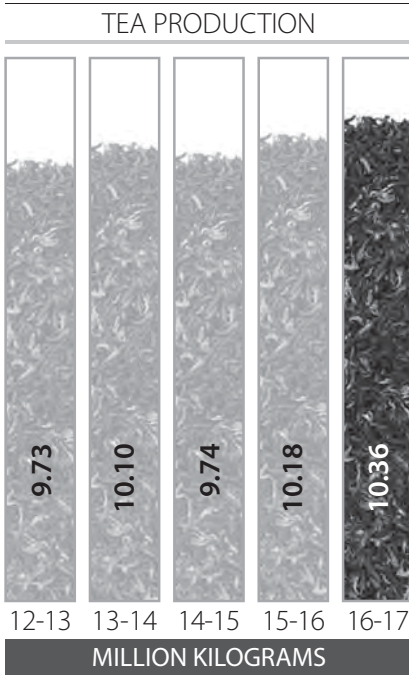
In view of these realities, we are optimistic of enhancing future growth and shareholder value.

C. K. Dhanuka
Chairman



Performance

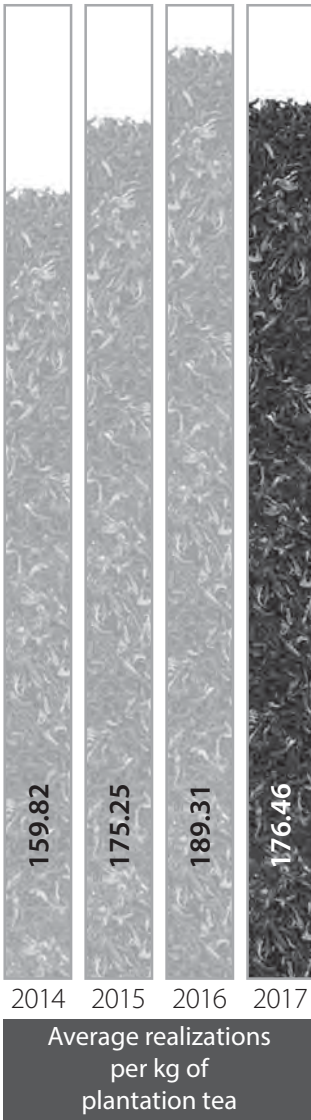
over the years



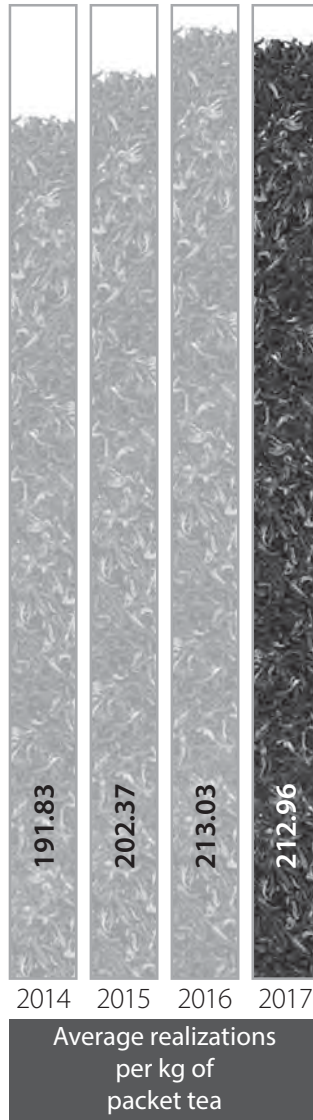


Achieved **Better** performance compared to industry benchmark

INCREASING PLANTATION TEA REALIZATIONS



INCREASING PACKET TEA REALIZATIONS



ATTRACTIVE MARGINS



Segment Review



Tea plantation

Tea sales in volume terms
grew by **10.4%** in India
& **14%** in Africa

Overview

Assam produces black tea with a bright colour, vigorous body and malty taste. It is known to have health benefits. Besides, Assam tea is an excellent alternative to caffeine and one of the most widely consumed varieties among hot beverages the world over.

Dhunseri Tea has an aggregate production capacity of 21 million kilograms across 12 tea estates spread over two countries. The company is among the 10 largest tea producers in India. The company accounts for approximately 1% of India's tea production.

Our Assam tea estates comprise six in upper Assam (South bank) and four in lower Assam (North bank). The total production capacity of these estates is 11 million kilograms. The company has two estates in Malawi, located in the hills of Makandi and Kawalazi with a cumulative production capacity of 10 million kilograms of tea. Besides tea, the Malawi estates also produce 0.26 million kilograms macadamia a year.

Key developments 2016-17

India

Tea production was 10.36 mn kg in 2016-17 as against 10.18 million kg in 2015-16.

Tea sales stood at 10.62 mn kg in 2016-17 compared to 9.62 mn kg in 2015-16.

Malawi

Tea production was 8.70 mn kg against 7.47 mn kg in 2015-16.

Tea sales stood at 8.64 mn kg in 2016-17 compared to 7.41 mn kg in 2015-16.

Macadamia production stood at 0.26 mn kg in 2016-17 compared to 0.36 mn kg in 2015-16.

Sales from macadamia was 0.28 mn kg in 2016-17 compared to 0.38 mn kg in 2015-16.

Outlook

The company intends to sustain its aggressive uprooting of the old bushes and replanting new bushes.

The company intends to increase Malawi estate coverage both organically and in-organically in the next few years.

The proportion of irrigated land in the macadamia plantations at Kawalazi and Makandi is being increased.

Segment Review



Packet tea

Overview

Dhunseri Tea markets its retail products in Rajasthan, where it enjoys a widespread retail network, allowing the Company to moderate its reliance on auctions or private channels and focus on the retail market. The Company has three packaged tea brands, namely 'Lal Ghora', 'Kala Ghora' and 'Bahipookri'. These brands have rapidly gained consumer preference across Rajasthan, maintaining the leadership position in the branded tea segment, with a market share of 5%.

Having a sustainable strategy for expansion is one aspect. Doing it intelligently is more vital. Managing advertising cost and creating a dealership network were key elements for expansion into other regions; Dhunseri Tea is expanding into the State of Odisha. A soft retail launch of the 'Lal Ghora' and 'Kala Ghora' brands in this state should provide better realisations for packet teas. The revenue from Malawi comes mainly from exports. The produce from the Company's estates in Africa cater to the packet tea manufacturers worldwide.

Key developments 2016-17

Dhunseri maintained leadership in the packet tea segment in Rajasthan being a top player in the state. Its brands remained consistently popular across consumers.

Packet tea sales increased marginally in 2016-17.

The company renewed the Trustea certification for all of

Dhunseri has transformed itself into a **value** added branded player

its estates in Assam. The company's Indian operations are also ISO 22000 compliant, highlighting Dhunseri Tea's dedication to sustainability and quality at all times. Following the same protocols internationally, the FAIRTRADE, Rainforest Alliance, and HACCP certifications for the Malawian estates were also renewed.

Ms. Hema Malini will continue as brand ambassador for all its packet teas for another two years in the State of Rajasthan and Odisha.

Focused on enhancing brand visibility and popularity in Rajasthan for all branded teas.

Initiated the process of building a retail network in Odisha for selling its branded packet teas.

Outlook

The Company intends to capitalise on its diversification and expansion initiatives.

With Dhunseri Gold being soft-launched in Rajasthan, the Company is aiming to gain market share in the premium tea segment and capitalise on this low volume-high realisation product.

A trial brand launch in Odisha marks the first foray into another state. Increasing customer base and regional reach, represents the basics of sustaining profitability in the long term. The Company is optimistic about the prospects of its brands trusted by its customers.

Directors' Report

We have pleasure in presenting the 20th Annual Report together with the financial results of the Company for the year ended 31st March, 2017.

1. Financial Results :

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Accounting year ended		Accounting year ended	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
1 Income from Operations				
A Net Sales/Income from Operations	18772.07	18,261.39	30182.32	27,307.93
B Other Operating Income	0.97	47.63	0.97	47.63
Total Income from Operations	18773.04	18,309.02	30183.29	27,355.56
2 Expenses				
A Cost of Materials Consumed	3362.49	3,464.95	3513.00	3,464.95
B Changes in Inventories of finished goods and stock in trade	170.14	(510.41)	163.50	(433.02)
C Employee Benefits Expense	6385.92	5,779.18	7553.04	6,962.15
D Depreciation expense	723.58	538.56	1681.09	888.78
E Freight, Delivery & Selling Expenses	1539.42	1,193.35	1827.69	1,882.93
F Power & Fuel	1754.18	1,721.34	2859.86	3,536.00
G Other Expenses	3302.98	3,403.50	8769.39	8,264.56
Total Expenses	17238.71	15,590.47	26367.57	24,566.35
3 Profit from Operations before Other Income, Finance costs and Exceptional items (1-2)	1534.33	2,718.55	3815.72	2,789.21
4 Other Income	189.16	342.62	798.44	1,284.98
5 Profit from Ordinary activities before Finance costs (3+4)	1723.49	3,061.17	4614.16	4,074.19
6 Finance costs	338.30	280.71	820.70	873.03
7 Profit from Ordinary activities before tax (5-6)	1385.19	2,780.46	3793.46	3,201.16
8 Tax Expense :				
Current Year	330.00	615.00	959.10	640.35
Adjustment for earlier years	0.70	33.98	0.70	37.24
Deferred Tax	43.37	(90.27)	111.89	(7.31)
9 Net Profit after Tax (7 - 8)	1011.12	2,221.75	2721.77	2,530.88
10 Paid up Equity Share Capital (Face Value Rs 10/- per share)	700.50	700.50	700.50	700.50
11 Reserve Excluding Revaluation Reserve	16936.12	15,925.01	13554.48	11,356.36
12 Earnings per share (of Rs 10/- each) (not annualised):				
(a) Basic (₹)	14.43	31.72	38.85	36.13
(b) Diluted (₹)	14.43	31.72	38.85	36.13

Directors' Report (Contd.)

2. Dividend:

The Directors recommend a dividend of ₹ 8.00 per equity share i.e. @ 80 % for the financial year ended 31st March, 2017 subject to approval of the shareholders at the ensuing Annual General Meeting. The dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 674.48 lakhs including dividend tax.

3. Transfer to Reserves:

The Company proposes to transfer ₹ 500.00 lakhs to the general reserve out of the amount available for appropriation and an amount of ₹ 1682.91 lakhs is proposed to be retained in the profit and loss account.

4. Operations:

The total tea manufacturing and sales in respect of the Indian operations for the year under review was 10.36 and 10.62 mn kg. as against 10.18 and 9.62 mn kg. respectively in the previous year. The production for the year under review was comparatively more by about 1.75%. The sales in terms of volume were more by about 10.41% and the average realizations were less by about 6.79% for the year under review in comparison to the previous year.

The total tea manufacturing and sales in respect of the African operations for the year under review was about 8.70 and 8.64 mn kg. as against 7.47 and 7.41 mn kg. respectively in the previous year. The manufacture and sale of tea were more for the year under review. The tea sales in terms of volume were also more by about 14% and the average realization was more by about 11% in comparison to the previous year.

The production and sale of macadamia in terms of volume was about 0.26 and 0.28 mn. kg as against 0.36 and 0.38 mn kg respectively in the previous year. The production of macadamia in terms of volume was less by about 39% and the sales in terms of volume was less by about 25% in comparison to the previous year.

5. Subsidiary Companies:

The Company has following five wholly owned subsidiaries as on March 31, 2017 :

- i) Dhunseri Petrochem & Tea Pte Ltd (DPTPL):
- ii) Makandi Tea & Coffee Estates Ltd (MTCEL)
- iii) Kawalazi Estate Company Ltd (KECL)
- iv) A.M. Henderson & Sons Ltd. (AMHSL)
- v) Elfin Heights Private Limited (EHPL).

The entire share capital of the subsidiaries i.e. AMHSL, is held by MTCEL and that of MTCEL and KECL are held by DPTPL and that of DPTPL and EHPL are held by the Company, making them 100% wholly owned subsidiaries of the Company. There has been no material change in the nature of the business of the subsidiaries.

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Pursuant to provisions of Section 129(3) of the Act, a statement in Form AOC-1 containing the salient features of the financial statements of the Company's subsidiaries is attached to the financial statements of the Company.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

6. Listing:

The equity shares of the Company are listed on BSE and NSE.

7. Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company 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, 2013 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.
- (v) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (vi) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

The work performed by the internal auditor, statutory auditor and secretarial auditor and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

8. Directors & Key Managerial Personnel:

Mr. Mrigank Dhanuka, retires by rotation at the ensuing 20th Annual General Meeting, and being eligible offers himself for reappointment.

Directors' Report (Contd.)

Section 149(13) states that the provisions of sub-section (6) and (7) of Section 152 of the Companies Act, 2013 relating to retirement of directors by rotation shall not be applicable to the independent directors.

Further, declaration under Section 149(7) have been received from all the Independent Directors of the Company confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. There has been no change in the Key Managerial Personnel of the Company during the year.

9. Number of Meetings of the Board :

The Board met four times during the financial year 2016-17. The details have been provided in the Corporate Governance Report in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is annexed to this Report.

10. Board Evaluation :

An annual evaluation of the performances of the Board, its committees and individual directors was undertaken during the year and has been disclosed in the Corporate Governance Report.

11. Policy on directors' appointment and remuneration and other details :

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report.

12. Internal financial control systems and their adequacy :

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of the Corporate Governance Report.

13. Audit Committee :

The details pertaining to composition of audit committee are included in the Corporate Governance Report.

14. Auditors:

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Lovelock & Lewes, Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five years at the 17th Annual General Meeting (AGM) of the Company held on 8th September, 2014, subject to ratification of their appointment at every AGM. Their reappointment for the year 2017-18 is required to be ratified by the shareholders at the ensuing 20th AGM of the Company.

15. Auditors' Report and Secretarial Auditors' Report

The Auditors' Report and Secretarial Auditors' Report are self-explanatory and does not contain any qualifications, reservations or adverse remarks and have been annexed to the report.

16. Risk Management :

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

17. Particulars of loans, guarantees and investments :

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

18. Transactions with Related Parties :

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your Directors draw attention of the members to Note No. 32 to the financial statement which sets out related party disclosures.

19. Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Corporate Governance Report.

20. Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure I of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the Company's website: www.dhunsertea.com.

21. Extract of annual return

As stipulated under Section 92(3) of the Act, an extract of annual return is given in Annexure II in the prescribed Form MGT-9, which forms part of this report.

Directors' Report (Contd.)

22. Particulars of employees

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-executive Directors	Remuneration for the Year ended 31.03.2017 (₹)	Ratio to median remuneration
1. Mr. Mrigank Dhanuka	30,000	0.52 : 1
2. Mr. R.K. Sharma	30,000	0.52 : 1
3. Mr. Bharat Bajoria	65,000	1.12 : 1
4. Mr. Basudeo Beriwala	60,000	1.03 : 1
5. Ms. Nandini Khaitan	40,000	0.69 : 1
6. Mr. Ashok Kumar Lohia	75,000	1.29 : 1
Executive Director		
1. Mr. C.K. Dhanuka	52,76,665	90.98 : 1

The median remuneration of employees for financial year 2016-17 is ₹ 0.58 lacs.

b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
1. Mr. C. K. Dhanuka, Managing Director	-46.69
2. Mr. Mrigank Dhanuka, Director	33.33
3. Mr. Bharat Bajoria, Director	No change
4. Mr. Basudeo Beriwala, Director	-33.33
5. Ms. Nandini Khaitan, Director	No change
6. Mr. Ashok Kumar Lohia, Director	73.33
7. Mr. R. K. Sharma, Director	No change
8. Mr. P. C. Dhandhanian, Chief Executive Officer	No change
9. Ms. Bhavana Khemka, Chief Financial Officer	6.24
10. Mr. R. Mahadevan, Company Secretary	8.96

c. The percentage increase in the median remuneration of employees in the financial year: 8.50%.

d. The number of permanent employees on the rolls of Company: 5053

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2016-17 was 13.01% and in the case of managerial remuneration the increase / (decrease) was (46.69)%. The remuneration payable to executive director has variable component which is dependent on the profit of the Company and other employees remuneration has fixed pay which depends on his/her performance.

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

g. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out in Annexure IV forming part of this report.

Directors' Report (Contd.)

23. Disclosure requirements:

As stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Corporate Governance Report along with the auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

The code of conduct for the Board of Directors and the senior management adopted by the Company is available on the company's website (<http://dhunseritea.com/investors-investors/code-of-conduct/>)

Details of the familiarization programme of the independent directors are available on the Company's website (<http://dhunseritea.com/wp-content/uploads/2015/06/Familiarisation-Programme-of-Independent-Directors.pdf>).

Policy for determining material subsidiaries of the Company is available on the Company's website : (<http://dhunseritea.com/wp-content/uploads/2015/03/policy-for-determining-material-subsiary.pdf>).

Policy on dealing with related party transactions is available on the Company's website (<http://dhunseritea.com/wp-content/uploads/2015/04/Related-party-transaction-policy.pdf>).

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and the said policy is available on the Company's website :

(<http://dhunseritea.com/wp-content/uploads/2015/03/vigil-mechanism.pdf>).

24. Deposits from public:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

25. State of Company's affairs:

The present state of the Company's affairs is progressive enough viz-a-viz the industry and there is no any development which could result in an adverse situation for the Company in the near future. There is neither any change in the nature of business of the Company nor any significant and material orders was passed by any regulator or court or tribunals impacting the going concern status affecting the Company's operation in future.

26. Material changes and commitments, if any, affecting the financial position of the Company:

There are no such material changes and commitments which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

27. Particulars regarding conservation of energy & technology absorption etc:

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure III which forms part of this report.

28. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has set up an Internal Complaints Committee (ICC) under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received and / or disposed off during 2016-17. The Committee met once during the financial year 2016-17.

29. Green Initiatives:

As part of our green initiative, the electronic copies of this Annual Report including the Notice of the 20th AGM are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of this Annual Report including the Notice of the 20th AGM are sent by permitted mode.

The Company is providing e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting is provided in Note 10 annexed to the Notice.

30. Acknowledgement:

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from the 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
22nd May, 2017

C.K.DHANUKA
Chairman

Annexure - I

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programme proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programme:

The Company carries out various CSR activities across the country through Dhanuka Dhunseri Foundation (DDF).

DDF was established in 1972 and focuses on four major philanthropic areas:

- Promoting education by building schools and colleges and providing assistance for their maintenance.
- Empowering the girl child through education and other initiatives.
- Improving healthcare by distributing free medicines and setting up dispensaries and providing assistance to charitable hospitals.
- Focusing on community development through donations.

The Company regularly provides financial assistance in association with various organizations to carry out CSR activities in these areas.

The CSR amount of ₹ 43 lakhs has been paid to DDF engaged in building a new girls hostel in Kolkata to accommodate 400 girls with a built-up area of 70,000 sq.ft. The construction of the hostel was completed during the year 2016-17 as per the plan sanctioned by Kolkata Municipal Corporation. The hostel was inaugurated by the Hon'ble Chief Minister of West Bengal on 23rd March, 2017.

2. The composition of the CSR committee: The Company has a CSR Committee of directors comprising of Mr. Basudeo

Beriwala, Chairman of the Committee, Mr. Chandra Kumar Dhanuka and Ms. Nandini Khaitan.

3. Average net profit of the Company for last three financial years for the purpose of computation of CSR : ₹ 2140.93 lakhs.
4. Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above) : ₹ 42.82 lakhs
5. Details of CSR spent during the financial year
- Total amount to be spent for the financial year : ₹ 43 lakhs
 - Amount unspent : Nil
 - Manner in which the amount spent during the financial year : Attached
6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Nil / NA
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

P.C. Dhandhanias
Chief
Executive Officer

Basudeo Beriwala
Chairman, Corporate
Social Responsibility

C.K.Dhanuka
Chairman

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where project or programs was undertaken	Amount Outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Subheads: (1)Direct Expenditure (2) Overheads(₹)	Cumulative Expenditure upto the reporting period(₹)	Amount Spent:Direct or through implementing agency
1	Empowering girl child through education	Construction of Girls Hostel	Diamond Harbour Road, Behala State: West Bengal Dist. Kolkata	43,00,000	43,00,000	43,00,000	Through Dhanuka Dhunseri Foundation (DDF)

Annexure - II

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	:-	L15500WB1997PLC085661
(ii)	Registration Date	:-	07/10/1997
(iii)	Name of the Company	:-	DHUNSERI TEA & INDUSTRIES LIMITED
(iv)	Category/Sub-Category of the Company	:-	Company limited by shares / Non Government Company
(v)	Address of the Registered Office and contact details	:-	"DHUNSERI HOUSE", 4A, WOODBURN PARK, KOLKATA - 700 020 Tel : 91 033 2280 1950 (5 lines) , Fax: 91 033 2287 8350/9274 Email : mail@dhuseritea.com; Website : www.dhuseritea.com
(vi)	Whether listed company	:-	YES
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	:-	MAHESHWARI DATAMATICS PVT. LTD. 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 Tel : 91 033 2243 5029/5809, Fax: 91 033 2248 4787 Email : mdpldc@yahoo.com; Website : www.mdpl.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the product/ service	% to total turnover of the company
1	Cultivation, manufacture and sale of tea	01271; 10791	100%

III. PARTICULARS OF HOLDINGS, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associates	% of shares held	Applicable Section
1	Dhunseri Petrochem & Tea Pte Ltd. 80, Raffles Place, UOB Plaza 1, #26-01, Singapore 048624	201136419H	SUBSIDIARY	100%	2(87)
2	Kawalazi Estate Co. Ltd. Thunga Estate Makandi, Thyolo Road, Malawi	2135	SUBSIDIARY	100%	2(87)
3	Makandi Tea & Coffee Estate Ltd. Thunga Estate Makandi, Thyolo Road, Malawi	2868	SUBSIDIARY	100%	2(87)
4	A.M.Henderson & Sons Ltd. Chiwale Estate, Sharpe Road, Thunga, Thyolo, P.O. Box 5247, Limbe	542	SUBSIDIARY	100%	2(87)
5	Elfin Heights Private Limited Dhunseri House, 4A, Woodburn Park, Kolkata-700020	U70102WB2015PTC206845	SUBSIDIARY	100%	2(87)

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

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01.04.2016]				No of Shares held at the end of the year [As on 31.03.2017]				% change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
A. Promoters									
(1) Indian									
a) Individual/ HUF	181476	0	181476	2.5907	181476	0	181476	2.5907	0.0000
b) Central Govt	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) State Govt(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corp.	4110857	0	4110857	58.6850	4459398	0	4459398	63.6607	4.9757
e) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-total (A)(1)	4292333	0	4292333	61.2757	4640874	0	4640874	66.2514	4.9757
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corp.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any other	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	4292333	0	4292333	61.2757	4640874	0	4640874	66.2514	4.9757
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4192	0	4192	0.0598	194782	0	194782	2.7806	2.7208
b) Banks/FI	431	413	844	0.0120	7174	413	7587	0.1083	0.0963
c) Central Govt	200	0	200	0.0029	200	0	200	0.0034	0.0000
d) State Govt(s)	0	35	35	0.0005	0	35	35	0.0000	0.0000
e) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Insurance Companies	436221	0	436221	6.2273	377839	0	377839	5.3939	-0.8334
g) FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
h) Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
i) Others (specify) Overseas Corporate Body	322013	0	322013	4.5969	0	0	0	0.0000	-4.5969
Alternate Investment Funds									
Foreign Portfolio Investors	0	0	0	0.0000	7820	0	7820	0.1116	0.1116
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total (B)(1)	763057	448	763505	10.8995	587815	448	588263	8.3978	-2.5017
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	784736	2278	787014	11.2351	423969	2278	426247	6.0849	-5.1502
ii) Overseas	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	930503	80578	1011081	14.4338	970259	78509	1048768	14.9718	0.5380
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	99914	0	99914	1.4263	242706	0	242706	3.4648	2.0385

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2016]				No. of Shares held at the end of the year [As on 31.03.2017]				% change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
c) Others (Specify)									
Non Resident Indians	29762	1618	31380	0.4480	34607	1618	36225	0.5171	0.0691
Qualified Foreign Investor									
Custodian of Enemy Property	221	0	221	0.0032	221	0	221	0.0032	0.0000
Foreign Nationals	0	266	266	0.0038	0	266	266	0.0038	0.0000
Clearing Members	18965	0	18965	0.2707	18796	0	18796	0.2683	-0.0024
Trusts	240	31	271	0.0039	60	31	91	0.0013	-0.0026
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	1	0	1	0.0000	2494	0	2494	0.0356	0.0356
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Sub-total(B)(2)	1864342	84771	1949113	27.8248	1693112	82702	1775814	25.3508	-2.4740
Total Public Shareholding									
(B)=(B)(1)+(B)(2)	2627399	85219	2712618	38.7243	2280927	83150	2364077	33.7486	-4.9757
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	6919732	85219	7004951	100.0000	6921801	83150	7004951	100.0000	0.0000

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01.04.2016]			Shareholding held at the end of the year [As on 31.03.2017]			% change in share holding during the Year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1.	Dhunseri Investments Limited	3122856	44.5807	0.0000	3206397	45.7733	0.0000	1.1926
2.	Naga Dhunseri Group Limited	615751	8.7902	0.0000	615751	8.7902	0.0000	0.0000
3.	Mint Investments Limited	296425	4.2316	0.0000	296425	4.2316	0.0000	0.0000
4.	Dhunseri Petrochem Ltd	0	0.0000	0.0000	265000	3.7831	0.0000	3.7831
5.	Chandra Kumar Dhanuka, Karta of Shankarlal Chandra Kumar (Huf)	80000	1.1420	0.0000	80000	1.1420	0.0000	0.0000
6.	Trimplex Investments Limited	57625	0.8226	0.0000	57625	0.8226	0.0000	0.0000
7.	Mrigank Dhanuka	23184	0.3310	0.0000	23184	0.3310	0.0000	0.0000
8.	Madhuting Tea Private Limited	18200	0.2598	0.0000	18200	0.2598	0.0000	0.0000
9.	Mrigank Dhanuka C/o Aman Dhanuka Trust	18000	0.2570	0.0000	18000	0.2570	0.0000	0.0000
10.	Mrigank Dhanuka C/o Ayaan Dhanuka Trust	18000	0.2570	0.0000	18000	0.2570	0.0000	0.0000
11.	Aruna Dhanuka	16502	0.2356	0.0000	16502	0.2356	0.0000	0.0000
12.	Chandra Kumar Dhanuka C/o Shree Shaligram Trust	9400	0.1342	0.0000	9400	0.1342	0.0000	0.0000
13.	Chandra Kumar Dhanuka	9104	0.1300	0.0000	9104	0.1300	0.0000	0.0000
14.	Tarulika Khaitan C/o Tarugre Trust	4000	0.0571	0.0000	4000	0.0571	0.0000	0.0000
15.	Tarulika Khaitan	2400	0.0343	0.0000	2400	0.0343	0.0000	0.0000
16.	Chandra Kumar Dhanuka C/o Sew Bhagwan & Sons	886	0.0126	0.0000	886	0.0126	0.0000	0.0000
	Total	4292333	61.2757	0.0000	4640874	66.2514	0.0000	4.9757

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

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2016]/ end of the year [31.03.2017]		Increase/ Decrease in shareholding	Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]		
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company	
1	Chandra Kumar Dhanuka C/o Shree Shaligram Trust						
		01.04.2016	9400	0.1342			
		31.03.2017	9400	0.1342	No Change	9400	0.1342
2	Mrigank Dhanuka C/o Aman Dhanuka Trust						
		01.04.2016	18000	0.2570			
		31.03.2017	18000	0.2570	No Change	18000	0.2570
3	Dhunseri Petrochem Ltd						
		01.04.2016	0	0.0000			
		21/10/2016 - Transfer	265000	3.7831		265000	3.7831
		31.03.2017	265000	3.7831	265000	3.7831	
4	Dhunseri Investments Limited						
		01.04.2016	3122856	44.5807			
		15/04/2016 - Transfer	83541	1.1926		3206397	45.7733
		31.03.2017	3206397	45.7733	83541	3206397	45.7733
5	Naga Dhunseri Group Limited						
		01.04.2016	615751	8.7902			
		31.03.2017	615751	8.7902	No Change	615751	8.7902
6	Trimplex Investments Limited						
		01.04.2016	57625	0.8226			
		31.03.2017	57625	0.8226	No Change	57625	0.8226
7	Tarulika Khaitan C/o Tarugreve Trust						
		01.04.2016	4000	0.0571			
		31.03.2017	4000	0.0571	No Change	4000	0.0571
8	Madhuting Tea Private Limited						
		01.04.2016	18200	0.2598			
		31.03.2017	18200	0.2598	No Change	18200	0.2598
9	Mint Investments Limited						
		01.04.2016	296425	4.2316			
		31.03.2017	296425	4.2316	No Change	296425	4.2316
10	Mrigank Dhanuka C/o Ayaan Dhanuka Trust						
		01.04.2016	18000	0.2570			
		31.03.2017	18000	0.2570	No Change	18000	0.2570
11	Chandra Kumar Dhanuka C/o Sew Bhagwan & Sons						
		01.04.2016	886	0.0126			
		31.03.2017	886	0.0126	No Change	886	0.0126
12	Chandra Kumar Dhanuka Karta of Shankarlal Chandra Kumar (HUF)						
		01.04.2016	80000	1.1420			
		31.03.2017	80000	1.1420	No Change	80000	1.1420

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2016]/ end of the year [31.03.2017]		Increase/ Decrease in shareholding	Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
13	Chandra Kumar Dhanuka					
	01.04.2016	9104	0.1300			
	31.03.2017	9104	0.1300	No Change	9104	0.1300
14	Mrigank Dhanuka					
	01.04.2016	23184	0.3310			
	31.03.2017	23184	0.3310	No Change	23184	0.3310
15	Aruna Dhanuka					
	01.04.2016	16502	0.2356			
	31.03.2017	16502	0.2356	No Change	16502	0.2356
16	TARULIKA KHAITAN					
	01.04.2016	2400	0.0343			
	31.03.2017	2400	0.0343	No Change	2400	0.0343

iv. Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2016]/ end of the year [31.03.2017]		Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	GENERAL INSURANCE CORPORATION OF INDIA				
	01.04.2016	144000	2.0557		
	31.03.2017	144000	2.0557	144000	2.0557
2	LIFE INSURANCE CORPORATION OF INDIA				
	01.04.2016	68605	0.9794		
	31.03.2017	68605	0.9794	68605	0.9794
3	THE NEW INDIA ASSURANCE COMPANY LIMITED				
	01.04.2016	188236	2.6872		
	04.11.2016 - Transfer	-3400	0.0485	184836	2.6386
	11.11.2016 - Transfer	-7793	0.1112	177043	2.5274
	03.02.2017 - Transfer	-1509	0.0215	175534	2.5059
	10.02.2017 - Transfer	-10300	0.1470	165234	2.3588
	31.03.2017	165234	2.3588	165234	2.3588
4	PARAM CAPITAL RESEARCH PRIVATE LIMITED				
	01.04.2016	35000	0.4996		
	31.03.2017	35000	0.4996	35000	0.4996
5	UNITED INDIA INSURANCE COMPANY LIMITED #				
	01.04.2016	35380	0.5051		
	28.10.2016 - Transfer	-3217	0.0459	32163	0.4591
	04.11.2016 - Transfer	-5815	0.0830	26348	0.3761
	20.01.2017 - Transfer	-2500	0.0357	23848	0.3404
	27.01.2017 - Transfer	-10156	0.1450	13692	0.1955
	03.02.2017 - Transfer	-13692	0.1955	0	0.0000
	31.03.2017	0	0.0000	0	0.0000

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2016]/ end of the year [31.03.2017]		Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LTD				
	01.04.2016	183000	2.6124		
	31.03.2017	183000	2.6124	183000	2.6124
7	L & T MUTUAL FUND TRUSTEE LTD -				
	01.04.2016	0	0.0000		
	22.04.2016 - Transfer	105929	1.5122	105929	1.5122
	29.04.2016 - Transfer	40912	0.5840	146841	2.0962
	06.05.2016 - Transfer	1966	0.0281	148807	2.1243
	13.05.2016 - Transfer	8783	0.1254	157590	2.2497
	27.05.2016 - Transfer	5000	0.0714	162590	2.3211
	08.07.2016 - Transfer	3500	0.0500	166090	2.3710
	09.09.2016 - Transfer	500	0.0071	166590	2.3782
	21.10.2016 - Transfer	2000	0.0286	168590	2.4067
	28.10.2016 - Transfer	5000	0.0714	173590	2.4781
	18.11.2016 - Transfer	2000	0.0286	175590	2.5067
	03.03.2017 - Transfer	15000	0.2141	190590	2.7208
	31.03.2017	190590	2.7208	190590	2.7208
8	GYAN TRADERS LIMITED				
	01.04.2016	83537	1.1925		
	08.04.2016 - Transfer	-83537	1.1925	0	0.0000
	31.03.2017 - Transfer	74498	1.0635	74498	1.0635
9	PAN EMAMI COSMED LTD #				
	01.04.2016	340000	4.8537		
	21.10.2016 - Transfer	-340000	4.8537	0	0.0000
31.03.2017	0	0.0000	0	0.0000	
10	DR RAMESH CHIMANLAL SHAH #				
	01.04.2016	0	0.0000		
	29.04.2016 - Transfer	10000	0.1428	10000	0.1428
	17.06.2016 - Transfer	7561	0.1079	17561	0.2507
	24.06.2016 - Transfer	2439	0.0348	20000	0.2855
	08.07.2016 - Transfer	13897	0.1984	33897	0.4839
	15.07.2016 - Transfer	653	0.0093	34550	0.4932
	23.09.2016 - Transfer	-4550	0.0650	30000	0.4283
	10.03.2017 - Transfer	2350	0.0335	32350	0.4618
	31.03.2017	32350	0.4618	32350	0.4618
11	ASHA MUKUL AGRAWAL				
	01.04.2016	52721	0.7526		
	31.03.2017	52721	0.7526	52721	0.7526

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2016]/ end of the year [31.03.2017]		Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
12	LINCOLN P COELHO				
	01.04.2016	25000	0.3569		
	06.05.2016 - Transfer	5000	0.0714	30000	0.4283
	25.11.2016 - Transfer	-30000	0.4283	0	0.0000
	31.03.2017 - Transfer	30000	0.4283	30000	0.4283
13	INTERNATIONAL FINANCE CORPORATION #				
	01.04.2016	322013	4.5969		
	08.04.2016 - Transfer	-81583	1.1646	240430	3.4323
	15.04.2016 - Transfer	-126741	1.8093	113689	1.6230
	22.04.2016 - Transfer	-113689	1.6230	0	0.0000
	31.03.2017	0	0.0000	0	0.0000

* Not in the list of Top 10 shareholders as on 01.04.2016 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2017.

Ceased to be in the list of Top 10 shareholders as on 31.03.2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2016.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2016]/ end of the year [31.03.2017]		Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	CHANDRA KUMAR DHANUKA				
	- Managing Director				
	At the beginning of the year - 01.04.2016	9104	0.1300		
	At the end of the year -31.03.2017	9104	0.1300	9104	0.1300
2	MRIGANK DHANUKA				
	- Non Executive Director				
	At the beginning of the year - 01.04.2016	23184	0.3310		
	At the end of the year -31.03.2017	23184	0.3310	23184	0.3310
3	BASUDEO BERIWAL				
	- Non Executive/Independent Director				
	At the beginning of the year - 01.04.2016	0	0.0000		
	At the end of the year -31.03.2017			0	0.0000
4	ASHOK KUMAR LOHIA				
	- Non Executive/Independent Director				
	At the beginning of the year - 01.04.2016	0	0.0000		
	At the end of the year -31.03.2017			0	0.0000
5	NANDINI KHAITAN				
	- Non Executive/Independent Director				
	At the beginning of the year - 01.04.2016	0	0.0000		
	At the end of the year -31.03.2017			0	0.0000

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2016]/ end of the year [31.03.2017]		Cumulative Shareholding during the year [01.04.2016 to 31.03.2017]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	BHARAT BAJORIA				
	- Non Executive/Independent Director				
	At the beginning of the year - 01.04.2016	0	0.0000		
	At the end of the year -31.03.2017			0	0.0000
7	RAJIV KUMAR SHARMA				
	- Non Executive Director				
	At the beginning of the year - 01.04.2016	100	0.0014		
	At the end of the year -31.03.2017			100	0.0014
8	PRAKASH CHANDRA DHANDHANIA				
	- Chief Executive Officer				
	At the beginning of the year - 01.04.2016	0	0.0000		
	At the end of the year -31.03.2017			0	0.0000
9	BHAVANA KHEMKA				
	- Chief Financial Officer				
	At the beginning of the year - 01.04.2016	0	0.0000		
	At the end of the year -31.03.2017			0	0.0000
10	R MAHADEVAN IYER				
	- Company Secretary				
	At the beginning of the year - 01.04.2016	6	0.0000		
	At the end of the year -31.03.2017			6	0.0000

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	470.01	1326.66		1796.67
(ii) Interest due but not paid	-	-		-
(iii) Interest accrued but not due	-	3.28		3.28
Total (i + ii + iii)	470.01	1329.94		1799.95
Change in Indebtedness during the financial year				
Addition	900.81	875.47	-	1776.28
Reduction	-	-	-	-
Net Change	900.81	875.47	-	1776.28
Indebtedness at the end of the financial year				
(i) Principal Amount	1370.82	2184.95	-	3555.77
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	20.46	-	20.46
Total (i + ii + iii)	1370.82	2205.41	-	3576.23

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL, PERSONNEL

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

Sl. No.	Particulars of Remuneration	Total Amount (₹)
		Mr. C.K.Dhanuka Managing Director
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	9,93,666
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14,58,972
	(c) Profits in lieu of salary under Section 179(3) Income-tax Act, 1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commision	25,00,000
	- as % of profit	
	- others, specify..	
5.	Others, please specify #	3,24,027
	Total	52,76,665
	Ceiling as per the Act	

Mr. C.K.Dhanuka was appointed as Managing Director for 5 years w.e.f. 9th September, 2014

Includes Companies Contribution to PF, Superannuation and Gratuity.

B. Remuneration to other Directors

Particulars of Remuneration	Name of the Directors				Total Amount (₹)
	Mr. B Bajoria	Mr. B D Beriwala	Mr. A K Lohia	Ms. N Khaitan*	
3. Independent Directors					
i) Fee for attending Board meeting	40,000	30,000	40,000	30,000	1,40,000
ii) Fee for attending Committee meetings	25,000	30,000	35,000	10,000	1,00,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (1)	65,000	60,000	75,000	40,000	2,40,000
4. Other Non-Executve Director	Mr. M Dhanuka	Mr. R K Sharma			
Fee for attending Board meeting	30,000	30,000	-	-	60,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (2)	30,000	30,000	-	-	60,000
Total B = (1+2)	95,000	90,000	75,000	40,000	3,00,000
Total Managerial Remuneration					
Overall Ceiling as per the Act					

* Paid to Khaitan & Co. LLP. Ms. N. Khaitan is a partner of the firm.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹)
	Mr. P C Dhandhaniania CEO	Mrs. B Khemka CFO	Mr. R Mahadevan Company Secretary	
1. Gross Salary				
(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	13,20,000	8,72,850	6,17,400	28,10,250
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	66,115	59,300	1,72,840	2,98,255
(c) Profits in lieu of salary under Section 179(3) Income-tax Act, 1961				
2. Stock Option				
3. Sweat Equity				
4. Commission				
- as % of profit				
- others, specify..				
5. Others, please specify	3,39,200	1,25,660	1,02,480	5,67,340
Total	17,25,315	10,57,810	8,92,720	36,75,845

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

Annexure - III

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended 31st March, 2017

A. Conservation of Energy:

i) Steps taken or impact on conservation of energy :

Phased replacement of old Generator sets with fuel efficient new Generator sets resulted in more KWH per litre of diesel in Tea Estates. It helped to contain the Power & Fuel cost.

Condensed Bulbs are replaced with CFL/ LED Bulbs in the factories and bungalows to reduce the energy consumption.

Supply of high calorific value coal from North-East Coalfields (Marghereta) with less ash content to maintain the required temperature for improvement in Quality as well as reduction in coal consumption.

Automatic Voltage Regulator has been installed at Dhunseri Tea Estate to utilize efficiently the grid supply as there had been serious problem of low voltage supply for the past 2 years due to severe drought in Assam.

Capacitors are used to improve the power factor to 90 and above in most of the factories.

Interlocking of machineries has been done to reduce the connected load wherever possible to minimize demand charges.

ii) Steps taken by the Company for using alternate sources of energy:

Tufflite sheets are used for natural light to reduce the consumption of electricity in all the factory buildings.

iii) Capital investment on energy conservation equipment:

During the year the company had installed two numbers each of continuous physical withering (CPW) machines at its tea factories at Dhunseri and Bahipookri for physical withering and quality improvement involving total amount of ₹ 454.94 lakh.

B. Technology Absorption:

(i) The efforts made towards technology absorption :

Indigenously developed technologies for the improvement of production both in field and factory were adopted and required modifications and innovations were done on continuous basis.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

Garden has used pruning machines to save on manpower and utilise the saved manpower for other development works.

Augor machines are used for digging pits for planting to save manpower and also speed up the planting work.

Trial of machine plucking harvester is done and it would be taken up in larger area during the season 2017.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- (a) The details of technology imported: Nil
- (b) The year of import: Nil
- (c) Whether the technology been fully absorbed: Not applicable
- (d) If not fully absorbed, areas where absorption has not taken place and the reasons therefore: Not applicable.

(iv) The expenditure incurred on Research and Development:

The Company subscribes to Tea Research Associations, which does R & D work for its tea industries and their expert advice is also being obtained through visits by their Advisory Officers to the garden from time to time.

C. Foreign Exchange Earnings and Outgo:

Earnings in Foreign Exchange ₹ 16.34 lac
(Previous year ₹ 38.19 lac)

Foreign Exchange Outgo ₹ 18.08 Lac
(Previous year ₹ 5.85 lac)

Annexure - IV

Details pertaining to Employees as required under Section 197(12) of the Companies Act, 2013

The Statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2017

Sl.	Name	Qualification	Designation	Date of Birth	Date of Joining	Remuneration (₹)
1	Chandra Kumar Dhanuka	B.Com.	Chairman & Managing Director	19.01.54	07.02.75	52,76,665
2	Kailash Kumar Tibrewalla	M.Com.	Senior Vice President	22.07.50	01.07.69	20,26,741
3	Prakash Chandra Dhandhanania	M.Sc.(Agriculture)	Chief Executive Officer	06.09.61	25.04.07	17,25,315
4	Vivek Bhasin	B.Com.(Hons)	Chief Executive-Plantations	27.12.62	01.04.06	14,21,692
5	Anuj Kumar Jha	B.Sc.(Stat)	Marketing Manager	01.11.60	14.06.12	11,35,136
6	Ashwin Ohri	B.Sc.(Botany)	General Manager	31.07.59	08.07.12	11,27,136
7	Gautam Roy	M.A.(History)	Senior General Manager	10.04.62	01.01.04	11,19,904
8	Bhavana Khemka	C.A., B.Com.(Hons)	Chief Financial Officer	24.06.79	01.07.14	10,57,810
9	Thaneswar Gohain	B.A.(Hons)	Manager	28.10.68	01.11.09	10,33,374
10	Raja Shah	B.Com.(Hons)	Purchase Manager	26.06.69	08.05.14	9,63,192

Persons in the service for the whole year and drawing emoluments more than Rs. 1,02,00,000/- per annum, other than above

NIL

Persons employed for part of the year drawing emoluments more than Rs. 8,50,000 per month

NIL

- Note: 1) None of the employees listed above is a relative of any director of the Company.
2) Other than Mr. C. K. Dhanuka, none of the employees listed above hold equity share in the Company.

SECRETARIAL AUDIT REPORT

as on the financial year ended on 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2015]

To,

The Members,

Dhunseri Tea & Industries Limited

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dhunseri Tea & Industries Limited (hereinafter called "the Company")**. The Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of **Secretarial Audit**, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2017** according to the provisions of:

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

V. The following **Industry Specific** laws:

- (a) Tea Act, 1953
- (b) The Tea Waste (Control) Order, 1959
- (c) The Tea Warehouse (Licensing) Order, 1989
- (d) The Tea (Marketing) Control Order, 1984
- (e) Tea (Distribution and Export) Control Order, 2005

We have also examined the compliance by the company of the following statutory provisions/standards/regulations:

- a. The Listing Agreements entered into by the Company, with **BSE Limited & National Stock Exchange of India Limited**;
- b. The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- c. The Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and a Woman Director.

Adequate Notice is given to all Directors to schedule the Board Meetings and to all the members to schedule the Committees Meetings, Agendas and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management.

We further report that during the year ended 31st March, 2017 there were no events in the company which have a major bearing on the Company.

For **K. Arun & Co.**
Company Secretaries

Arun Kumar Khandelia

Partner

Kolkata
May 02, 2017

CP No:2270

Corporate Governance Report

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with para C, D and E of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable, with regard to corporate governance.

1. Company’s Philosophy

The Company philosophy is based on transparency, accountability and integrity in all its dealings without compromising on any of its obligations. It seeks to ensure all regulatory compliances, fair play, justice and enhancement of long-term shareholder value.

The Company shall constantly endeavour to improve upon all these aspects on an ongoing basis.

2. Board of Directors (Board)

a) Composition of Board

The Board comprises of four Non-Executive Independent Directors including a women director, two Non-Executive/Non-Independent Directors including one who is related to the promoter and one Promoter Director, who is the Chairman of the Board. The number of Non-Executive Independent Directors are more than half the total strength of the Board. The composition of the Board is as under:

Mr. C.K. Dhanuka	Promoter Director Appointed as Managing Director w.e.f. 09.09.2014. Not Liable to retirement by rotation
Mr. M. Dhanuka @	Non-Executive Director Promoter Relative Liable to retirement by rotation
Mr. R.K. Sharma	Non-Executive / Non-Independent Director Liable to retirement by rotation
Mr. B.D. Beriwala	Non-Executive Independent Director Not liable to retirement by rotation
Mr. B. Bajoria	Non-Executive Independent Director Not liable to retirement by rotation
Mr. A.K. Lohia	Non-Executive Independent Director Not liable to retirement by rotation
Ms. N. Khaitan	Non-Executive Independent Director Not liable to retirement by rotation

@ Retiring by rotation at the ensuing 20th AGM of the Company.

Corporate Governance Report (Contd.)

b) Attendance of Directors at Board Meetings and at the 19th AGM and other directorships / committee memberships held

During the financial year 2016-17, the Board met four times on the following dates:

27th May, 2016, 11th August, 2016; 8th November, 2016; and 7th February, 2017.

The attendance and number of other directorships /committee memberships of the directors of the Company are given below:

Name of Directors	No. of Board meetings attended	Whether attended last AGM on 11.08.2016	Number of Directorships#	Other Committee Memberships@	
				Member	Chairman
Mr. C. K. Dhanuka	4	Yes	9	4	1
Mr. M. Dhanuka	3	No	8	1	-
Mr. R. K. Sharma	3	Yes	4	-	-
Mr. B. D. Beriwalla	3	Yes	4	-	-
Mr. B. Bajoria	4	Yes	8	2	-
Mr. A. K. Lohia	4	Yes	4	-	-
Ms. N. Khaitan	3	Yes	5	-	-

The board meetings were all held at the Registered Office of the Company.

Includes Directorship & Alternative Directorship held in Public Company (not exceeding 10 in number) as well as directorship in Private Companies (if any) which are either holding or subsidiary company of a public company.

@ Only the memberships /chairmanships of Audit Committee and Stakeholders Relationship Committee have been considered.

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

i) Details of remuneration paid /payable to Executive Director

Name of Director	Salary	Perquisites	Other Benefits #	Commission	Total (₹)
Mr. C. K. Dhanuka	9,93,666	14,58,972	3,24,027	25,00,000	52,76,665

includes companies contribution to PF, Superannuation and Gratuity Funds

Mr. C.K. Dhanuka was appointed Managing Director of the Company, for a period of five years w.e.f. 9th September, 2014 on terms and conditions as approved by members at the 18th Annual General Meeting of the Company held on Friday, 14th August, 2015.

Mr. C.K. Dhanuka holds 9,104 shares of the Company which was allotted on 22.09.2014 on demerger of the Tea Division of erstwhile Dhunseri Petrochem & Tea Limited as per the Scheme of Arrangement sanctioned by the Hon'ble High Court at Calcutta by an Order dated 07.08.2014.

Mr. C.K. Dhanuka is not entitled to any sitting fees for attending board /committee meetings of the Company.

ii) Details of remuneration paid /payable to Non-Executive Directors :

Name of Director	Sitting Fees		Salary Perquisites & Commission	Total (₹)
	Board Meetings	Committee Meetings		
Mr. M. Dhanuka *	30,000	-	-	30,000
Mr. R.K. Sharma	30,000	-	-	30,000
Mr. B.D. Beriwalla	30,000	30,000	-	60,000
Mr. B. Bajoria	40,000	25,000	-	65,000
Mr. A.K. Lohia	40,000	35,000	-	75,000
Ms.N. Khaitan #	30,000	10,000	-	40,000

* Mr. M. Dhanuka is related to Mr C. K. Dhanuka.

Paid to Khaitan & Co. LLP. Ms N.Khaitan is a partner of the firm.

Corporate Governance Report (Contd.)

Details of shares held by non-executive directors in the Company as on 31st March, 2017:

Mr. M. Dhanuka holds 23,184 shares and Mr. R. K. Sharma holds 100 shares

No other non-executive director hold shares of the Company.

d) Code of Conduct for Directors and Senior Management

The Board of Directors at their meeting held on 9th September, 2014 adopted the code of conduct for the board members and senior management personnel of the Company. The code is put up on the Company's website www.dhunseritea.com.

The Code has been circulated to the members of the board and the senior management and they have all affirmed their compliance with the code.

A declaration to this effect is appearing along with the report.

3. Audit Committee

The Audit Committee comprises of three Independent Directors viz Mr. Basudeo Beriwal, Mr. Bharat Bajoria and Mr. Ashok Kumar Lohia and one Non-Independent Director viz Mr. C. K. Dhanuka.

Mr. Basudeo Beriwal is the Chairman of the Audit Committee.

Powers of Audit Committee

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee pursuant to Schedule II Part-C of "SEBI Listing Regulations, 2015" is as follows :

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of Section 134 of Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinion (s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

Corporate Governance Report (Contd.)

14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related-party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
4. Internal audit reports relating to internal control weaknesses, and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

Mr. R. Mahadevan, Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee met four times during the year i.e. on 27th May, 2016, 11th August, 2016, 8th November, 2016 and 7th February, 2017.

The attendance of the directors at the Audit Committee Meetings is summarized below :-

Name	No. of meetings held	No. of meetings attended
Mr. B. D. Beriwalla	4	3
Mr. C. K. Dhanuka	4	4
Mr. A. K. Lohia	4	4
Mr. B. Bajoria	4	4

4. Nomination & Remuneration Committee

The Nomination & Remuneration Committee comprises of three Independent Directors viz Mr. Basudeo Beriwalla, Ms. N. Khaitan and Mr. Ashok Kumar Lohia and one Non-Independent Director viz Mr. C.K. Dhanuka.

Mr. Basudeo Beriwalla is the Chairman of the Committee.

No meeting of the Nomination & Remuneration Committee was held during the year.

The terms of reference of the Nomination & Remuneration Committee inter-alia include the following :

- i) They shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out the evaluation of every director's performance.
- ii) They shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- iii) Devising a policy on Board diversity

While formulating the above policy the Committee shall inter-alia ensure the following:-

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

Corporate Governance Report (Contd.)

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration of directors, key managerial personnel and senior management involves a balance between a fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The role of Nomination and Remuneration Committee inter-alia, includes the following:

- (i) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (iii) devising a policy on diversity of board of directors;
- (iv) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- (v) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Evaluation Policy:

The Nomination and Remuneration Committee approved an evaluation policy which provides for the evaluation of the Board, the Committees of the Board and individual directors including the Chairman of the Board. The policy provides for the evaluation to be carried out on an annual basis. The evaluation process is to focus on the functioning of the Board and its Committees, their composition, experience and competencies, attendance and other related issues with a view to initiate such action plan to improve their overall performance.

Separate Meeting of Independent Directors:

A separate meeting of independent directors was convened and held by them on 8th November, 2016. The meeting was held for reviewing the performance of the non-independent directors and the Board of the Company including the performance of the Chairperson of the Company as well as for assessing the quality, quantity and timeliness of flow of information between the Company management and the board.

All the independent directors participated in the said meeting.

Familiarization Program for Independent Directors :

The Chief Executive Officer, the Chief Financial Officer and the Company Secretary are jointly authorised for ensuring appropriate induction and training programme for the directors including independent directors of the Company as and when requested by them for understanding any specific project, activity or process of the Company. The management provides such information and training either at the meeting of the Board of Directors or otherwise.

Remuneration Policy :

The policy is to provide market competitive compensation /reward which drives performance culture and salary increases are based on performance rating, business affordability and market competitiveness. The remuneration generally comprises of fixed element including bonus payouts and is subject to review at regular intervals.

Non-Executive Directors :

The Non-Executive Directors are paid Rs.10,000/- each as sitting fees for attending board meetings and Rs.5,000/- each as sitting fees for attending the Audit Committee/Stakeholders Relationship Committee / Nomination & Remuneration Committee/Corporate Social Responsibility Committee and Independent Directors Meetings.

No sitting fee is paid to directors for attending any 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. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of two Independent Directors viz Mr. Basudeo Beriwal and Ms. Nandini Khaitan and one Non-Independent Director viz Mr. C.K. Dhanuka.

Mr. Basudeo Beriwal is the Chairman of the Committee.

The Committee met once during the year on 27th May, 2016.

The attendance of the directors at the Corporate Social Responsibility Committee Meeting is summarized below :-

Name	No.of meetings held	No. of meetings attended
Mr. B. D. Beriwal	1	1
Mr. C. K. Dhanuka	1	1
Ms. N. Khaitan	1	1

Corporate Governance Report (Contd.)

The terms of reference of the Corporate Social Responsibility Committee inter-alia include the following:

- The committee shall formulate and recommend to the Board a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- The Committee shall recommend the amount of expenditure to be incurred on the above CSR activities; and
- Monitor the said CSR policy from time to time.

6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of two Non-executive Independent Directors viz., Mr. Basudeo Beriwal and Mr. A.K. Lohia and one Non-Independent Director viz., Mr. C. K. Dhanuka.

Mr. Basudeo Beriwal is the Chairman of the Committee.

Mr. R. Mahadevan, Company Secretary acts as the Secretary to the Committee.

Two meetings of the Stakeholders Relationship Committee were held during the year i.e on 11th August, 2016 and 7th February, 2017.

The attendance at the Stakeholders Relationship Committee Meeting is summarized below :

Name	No.of meetings held	No. of meetings attended
Mr. B. D. Beriwal	2	1
Mr. C. K. Dhanuka	2	2
Mr. A. K. Lohia	2	2

The terms of reference of the Stakeholders Relationship Committee inter-alia include the following:

- Review the process and mechanism for redressal of investor grievance and to suggest measures for improving the same.
- Review and resolve the pending investors complaints, if any ,relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest
- Dividend warrants, non-receipt of annual report and any other grievance /complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.

- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

The role of the committee is to consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends

During the year two complaints were received by the Company and the same was resolved. All valid requests for share transfers etc. received during the year were acted upon by the Company and no transfers etc were pending.

7. Risk Management Committee

A Risk Management Committee was constituted by the Board at its meeting held on 9th September, 2014 comprising of the following directors :

- i) Mr. C. K. Dhanuka - Managing Director
- ii) Mr. M. Dhanuka - Director
- iii) Mr. R. K. Sharma - Director

Mr. C.K. Dhanuka is the Chairman of the Committee.

The Committee met once during the year i.e. on 10th May, 2016.

The attendance of the directors at the Risk Management Committee Meeting is summarized below :-

Name	No.of meetings held	No. of meetings attended
Mr. C. K. Dhanuka	1	1
Mr. M. Dhanuka	1	-
Mr. R. K. Sharma	1	1

The Charter for Risk Management inter-alia includes assessment, monitoring and mitigation of risks involved in production, marketing, sales, purchase, finance, accounting, insurance and legal/compliances.

8. Share Transfer Committee

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

- i) Mr. C. K. Dhanuka - Managing Director
- ii) Mr. M. Dhanuka - Director
- iii) Mr. R. K. Sharma - Director

Corporate Governance Report (Contd.)

Mr. C.K. Dhanuka is the Chairman of the Committee.

The Committee met four times during the year i.e. on 2nd May, 2016, 29th July, 2016, 2nd November, 2016 and 12th January, 2017.

The attendance of directors at the Share Transfer Committee meetings is summarised below :

Name	No. of meetings held	No. of meetings attended
Mr. C. K. Dhanuka	4	4
Mr. M. Dhanuka	4	2
Mr. R. K. Sharma	4	4

The Committee is authorized to deal with as well as accord approval and / or ratify the following matters :-

- i) Share Transfers
- ii) De-materialization / Re-materialization of shares(s).
- iii) Sub-division /Consolidation /Transmission of share(s).
- iv) Deletion of member(s) name on demise.
- v) Issue of Duplicate Share Certificate(s)
- vi) Other related matters.

The scrutiny and other formalities relating to share transfer etc. are undertaken by the Registrars & Share Transfer Agents of the Company viz., M/s. Maheshwari Datamatics Private Limited.

9.1 General Body Meetings

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

Year	Location	Date	Time	Details of Special Resolution
2015-16	Kala Kunj, Sangit Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017	11th August, 2016	10.30 a.m.	None
2014-15	Kala Kunj, Sangit Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017	14th August, 2015	10.30 a.m.	None
2013-14	Dhunseri House, 4A, Woodburn Park, Kolkata-700020	8th September, 2014	4.00 p.m.	#Yes Under Section 163(1) of the Companies Act, 1956

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

Pursuant to Section 163(1) of the Companies Act, 1956 a special resolution was passed by the shareholders of the Company at the AGM held on 8th September, 2014 for keeping the registers, indexes, returns and copies of certificates and documents or any or more of them at a place other than the Registered Office of the Company within the city, in which the Registered Office of the Company is situate and an advance copy of the special resolution was also given to the Registrar.

9.2 Postal Ballot and postal ballot process

- i) During the last year on 27th March, 2017 a special resolution was passed through postal ballot authorizing the Board of Directors to create security / mortgage under Section 180(1)(a) of the Companies Act, 2013 and the voting pattern was as under:

Mode of voting	No. of votes cast		Percentage (%)	
	In favour	Against	In favour	Against
Physical	1586	16	0.04%	0% *
E-voting	4529145	79	99.96%	0% *

*rounded off.

- ii) **Person conducting the postal ballot exercise:**
Pursuant to Section 110 of the Companies Act, 2013

read with Rule 22 of the Companies (Management and Administration) Rules, 2014 the Board of Directors of the Company at their meeting held on 07.02.2017 approved the proposal of the Chairman to conduct a postal ballot for authorizing the Board to create security/ mortgage under Section 180(1)(a) of the Companies Act, 2013, and also appointed a Scrutinizer for scrutinizing the postal ballot and e-voting process and the Company Secretary was authorized to ensure and complete the entire process as per the requirements of the Companies Act, 2013.

iii) Procedure for Postal Ballot:

The Company issued the postal ballot notice dated 07.02.2017 seeking approval of the members for authorizing the Board of Directors to create security / mortgage under Section 180(1)(a) of the Companies Act, 2013 both present and future in favor of the financial Institution(s) / Bank (s) / any other person to secure the amounts borrowed / to be borrowed up to a limit of Rs. 250 crore together with interest thereon, commitment charges and other monies in such manner as may be agreed by the Board and the Financial Institution(s) / Bank(s) / any other person.

Corporate Governance Report (Contd.)

The draft resolution together with the explanatory statement and the postal ballot form along with the self addressed postage prepaid envelop were dispatched through courier to the members on 22.02.2017 and through electronic mode simultaneously to those members who had registered their email address with the Company or with the depositories.

The members were advised to read the instructions printed on the ballot form and return the same duly completed and signed to the scrutinizer in the self addressed postage prepaid envelop on or before the close of the working hours on 24.03.2017. After due scrutiny of all the postal ballot forms received upto the close of the working hours on 24.03.2017 including the votes cast through e-voting process, the scrutinizer Mr.K.C.Dhanuka, Practising Company Secretary, submitted his report on 27.03.2017. The result of the postal ballot was declared by the Chairman on 27.03.2017. The date of declaration of the result of the postal ballot was the date of passing of the special resolution and was also duly forwarded to the Stock Exchanges where the Company's shares are listed and simultaneously also put up on the Company's web-site.

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

The details of the Director of the Company seeking re-appointment is given in the Annexure to the Notice, under the head 'Information Pursuant to Regulations 36(3) & 26(4) of SEBI (LODR) Regulations, 2015.'

10. Disclosures

- a) There are no materially significant related party transactions made by the Company with its Promoters, Directors or their relatives, or the management, or subsidiaries etc. that may have potential conflict with the interests of the Company at large.

Transactions with related parties are disclosed in Note No. 32 under 'Notes annexed to and forming part of financial statements' in the Annual Report. The policy has been uploaded in the company's website:

<http://dhunseritea.com/wp-content/uploads/2015/04/Related-party-transaction-policy.pdf>

- b) There were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter relating to the capital

markets since the shares were listed and admitted to trading on the exchanges w.e.f. 20.01.2015.

- c) The Company has adopted a vigil mechanism / whistle blower policy and no personnel is being denied access to the Audit Committee. The policy has been uploaded on the company's website:
<http://dhunseritea.com/wp-content/uploads/2015/03/vigil-mechanism.pdf>
- d) The Company has adopted all the mandatory requirements as recommended by SEBI (LODR) Regulations, 2015 with stock exchanges and is in the process of examining the implementation of some of the non-mandatory requirements.
- e) There are no pecuniary relationships or transactions with Non-Executive Independent Directors other than those disclosed in this report.
- f) The company has formulated a policy for determining 'material' subsidiaries and such policy has been disclosed on the Company's website:
<http://dhunseritea.com/wp-content/uploads/2015/03/policy-for-determining-material-subsiary.pdf>

11. CEO and CFO Certification

As per Part B of Schedule II of SEBI (LODR) Regulations, 2015, the CEO and the CFO of the Company certifies to the Board regarding the review of the financial statement, compliance with the accounting standard, maintenance of the internal control systems for financial reporting and accounting policies etc.

12. Means of Communication

The quarterly and annual results of the Company are generally published in Business Standard as well as in Arthik Lipi. The results are also posted in the Company's websites www.dhunseritea.com.

13. Management Discussion and Analysis Report

Industry Structure and Development

The Company's main business is plantation, manufacture and sale of Tea. It is a seasonal industry. The plantation activities are carried out from March to December and is subject to vagaries of the monsoon to a very large extent. The area under plantation is more or less static and the crop yield varies depending on climatic conditions and as such the possibility of increasing the yield through improved agricultural practises becomes essential.

Corporate Governance Report (Contd.)

Opportunities and Threats

The Company's major income is from sale of tea. The tea manufactured by the Company is sold through auctions as well as packeted and sold under its different brands and also through private sales. The costs of production of tea, comprises of various inputs which are required to be met by the Company as stipulated under various statutes both Central and State including the Plantation Labour Act. Thus, after meeting the various Central and State levies etc the industry is left with a very small margin to meet its other expenses for advertising, marketing and sale of the product.

Segment wise performance

The Company's main business operation is restricted to a single segment i.e. Tea which is manufactured and sold through either auction centres, packet sales or as bulk / private tea sales.

The new business activity viz. packaged Atta ventured in the last quarter of 2015-16 was discontinued during the year.

Outlook

Tea is the common man's drink and is consumed widely throughout the country.

The Tea manufactured in the Country is almost sufficient to meet its internal domestic demand. The weather conditions requisite for manufacture of Tea is of prime importance to the industry to ensure maintaining the production target for the industry. Due to the vagaries of the weather the production of tea fluctuates within a given range. However, in spite of this scenario the outlook for the tea industry appears to be good, due to increasing demand and consumption.

Risk and Concern

The Management has to constantly monitor the risks and concerns associated with the industry which is dependent upon the vagaries of the weather to a very large extent and is also subject to changing market conditions and the trends. Further increased supply in the global market and slowdown of the economic growth may adversely affect the Company's business prospects.

Internal Control System & their adequacy

The Company has an effective system of internal control, commensurate with its size and it ensures operational efficiency, accuracy in financial reporting and compliance of applicable laws and regulations.

The system is subject to review from time to time.

Disclosures on financial performance with respect to operational performance:

All disclosures relating to financial and commercial transactions where directors may have a potential interest are provided to the Board and the interested directors do not participate in the discussions nor do they vote on such matters.

Material developments in Human Resources / Industrial Relations front including number of people employed

The Tea industry is labour intensive and provides employment to a very large segment of the population residing in and around the tea plantations areas. The company has ten tea estates all located in the State of Assam with a total plantation area of about 3055.67 hectares. As on 31st March, 2017 the Company provided employment to about 5053 employees including 4942 workers at its tea estates.

Cautionary Statement

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry-global or domestic or both, significant changes in political and economic environment in India, applicable statutes, litigations etc.

14. Shareholders' Information

a) Annual General Meeting

Monday, 7th August, 2017 at 10.30 a.m. at Kalakunj, 48, Shakespeare Sarani, Kolkata-700017.

b) Book Closure

The Register of Members and Share Transfer Register will remain closed from Tuesday, 1st August, 2017 till Monday, 7th August, 2017 (both days inclusive) on account of the Annual General Meeting and dividend payment.

c) E-voting

The e-voting period commences at 9.00 a.m. on Wednesday, 2nd August, 2017 and ends at 5.00 p.m.

Corporate Governance Report (Contd.)

on Sunday, 6th August, 2017. During this period, members of the Company holding shares on the cut-off date i.e. 31st July, 2017, either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the e-voting on a resolution is cast by the Member, the member shall not be allowed to change it subsequently. Members may send the duly completed Ballot Form (enclosed with the Annual Report) to the Scrutinizer Mr. Kailash Chandra Dhanuka, at the Registered Office of the Company, not later than 6th August, 2017.

d) Dividend payment

The dividend, if declared, shall be paid /credited on or after 16th August, 2017.

h) Stock market price data for the year 2016-17:

Period 2016 – 17	BSE		NSE		BSE Sensex	
	High	Low	High	Low	High	Low
April	316.00	241.20	317.00	235.20	26100.54	24523.20
May	301.55	263.00	308.00	270.30	26837.20	25057.93
June	323.55	263.40	324.60	263.05	27105.41	25911.33
July	356.60	307.00	354.90	305.00	28240.20	27034.14
August	323.00	265.00	325.90	256.80	28532.25	27627.97
September	288.05	264.00	296.00	263.00	29077.28	27716.78
October	329.95	280.00	326.10	280.00	28477.65	27488.30
November	336.95	250.25	336.00	242.00	28029.80	25717.93
December	299.90	262.30	300.90	267.00	26803.76	25753.74
January	322.95	295.00	325.05	292.50	27980.39	26447.06
February	332.00	284.00	320.00	283.40	29065.31	27509.10
March	325.00	277.50	324.95	290.65	29824.62	28716.21

i) Registrars and Share Transfer Agents:

Maheshwari Datamatics Pvt. Ltd., 23, R.N.Mukherjee Road, 5th Floor, Kolkata-700 001
Phone: 91 33 2248-2248, 2243-5029, Fax : 91 33 2248-4787, Email : mdpl@cal.vsnl.net.in

j) Share Transfer System

The Company's Registrars and Share Transfer Agents M/s. Maheshwari Datamatics Pvt. Ltd. after scrutiny and completion of all required formalities process the share transfers and thereafter return the scrips in the normal course within 15 days of its receipt, if the documents are found 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 given by them to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within 15 days.

e) Registered Office:

'Dhunseri House', 4A, Woodburn Park, Kolkata -700020
CIN : L15500WB1997PLC085661
Ph. No.: 2280-1950 (five lines)
Fax No.: 91 33 2287-9274/8350
Email: mail@dhunseritea.com
Website : www.dhunseritea.com

f) Listing on Stock Exchanges:

The Company's shares are listed with the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company has paid the annual listing fees to the Stock Exchanges for the financial year 2017-18.

g) i) Exchange Scrip Code : BSE: Scrip Code: 538902
NSE: Symbol: DTIL

ii) Demat ISIN number for
NSDL & CDSL : INE341R01014

Corporate Governance Report (Contd.)

k) Shareholding pattern and distribution of shares as on 31.03.2017

Shareholding Pattern		
Category	No. of Shares held	Percentage %
Promoters/Promoters Group	4640874	66.25
Mutual Funds/UTI,	194782	2.78
Financial Institution /Banks	7587	0.11
Insurance Companies	377839	5.39
Central/State Government(s)	235	0.0
Bodies Corporate	426247	6.08
Indian public	1291474	18.44
NRI/Foreign Nationals/Foreign Portfolio Investors	44532	0.64
Clearing Members/Trust/NBFC/Others	21381	0.31
	7004951	100.00

Distribution Schedule				
Range	Shareholders		Shares	
	No.	%	No.	%
1- 500	20071	98.03	654933	9.35
501 – 1000	183	0.89	137521	1.96
1001 – 2000	112	0.55	163381	2.33
2001 – 3000	35	0.17	86938	1.24
3001 – 4000	14	0.07	49006	0.70
4001 – 5000	7	0.03	31254	0.45
5001 – 10000	17	0.08	123480	1.76
10001 & above	36	0.18	5758438	82.21
	20475	100.00	7004951	100.00

l) Dematerialisation of shares and liquidity :

As on 31st March, 2017, 98.81% of the Company's share capital representing 69,21,801 shares were held by 17,494 shareholders in dematerialised form and the balance 1.19% of the Company's share capital representing 83,150 shares were held by 2,981 shareholders in physical form. The physical share certificates returned undelivered to the Company is being dematerialised and credited to unclaimed demat suspense account opened by the Company.

m) Insider trading regulation

The Company has adopted a code of internal procedure for prevention of any unauthorised trading in the shares of the Company by insiders, as required under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company Secretary is the Compliance Officer for this purpose.

n) Plant location

The Company has ten tea estates all located in Assam and each of these tea estates has a tea factory excepting Khetojan tea estate.

The Company's tea packaging factory is located at Jaipur, Rajasthan.

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 2017-18 (Tentative)

Board Meetings

Unaudited results for quarter ending June 30, 2017 - By 14th August, 2017

Unaudited results for quarter ending September 30, 2017 - By 14th November, 2017

Unaudited results for quarter ending December 31, 2017 - By 14th February 2018

Audited results for year ending March 31, 2018 - By 30th May, 2018

Annual General Meeting for the year ending 31st March, 2018 - August, 2018

Corporate Governance Report (Contd.)

q) **Grievance Redressal Division / Compliance Officer:**

Sri R. Mahadevan
Company Secretary and Compliance Officer
Dhunseri Tea & Industries Limited
“Dhunseri House”, 4A, Woodburn Park
Kolkata - 700 020
Phone : (033) 2280-1950 (5 lines)
Fax : (033) 2287-8995/8350
E-mail : mail@dhunseritea.com

r) **Report on Corporate Governance**

As required by Schedule V of SEBI (LODR) Regulations, 2015, a certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance, is attached to the Directors' Report forming part of the Annual Report.

For and on behalf of the Board of Directors
Kolkata
22nd May, 2017
C.K. DHANUKA
Chairman of the Board

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

Dhunseri Tea & Industries Limited

We have examined the compliance of conditions of Corporate Governance by Dhunseri Tea & Industries Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as “SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For and on behalf of
Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Place : Kolkata

Date : May 22, 2017

Avijit Mukerji
Partner
Membership No:056155

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, 2017 received from the members of the Board and the senior management personnel, a declaration of compliance with the Company's Code of Conduct.

Kolkata
22nd May, 2017

P. C. DHANDHANIA
Chief Executive Officer

Independent Auditor's Report

To The Members of

DHUNSERI TEA & INDUSTRIES LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Dhunseri Tea & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report (Contd.)

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements – Refer Note 21;
- ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 43.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Avijit Mukerji
Partner

Kolkata
May 22, 2017

Membership No.056155

Annexure - A to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Dhunseri Tea & Industries Limited on the standalone financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Dhunseri Tea & Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of

Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on

Annexure - A to Independent Auditor's Report (Contd.)

our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements

in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Avijit Mukerji

Partner

Membership No.056155

Kolkata
May 22, 2017

Annexure - B to Independent Auditor's Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Dhunseri Tea & Industries Limited on the standalone financial statements as of and for the year ended March 31, 2017

- i. (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 phased programme designed to cover all the items over a period of 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, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 12 on Tangible Assets and Note 13 on Non-Current Investments to the standalone financial statements, are held in the name of the Company, except for the following, for reasons set out in Notes 12 (a) and Note 13 B(ii) to the standalone financial statements.

Particulars	Class of Assets	Gross Block (Rs. In Lakhs)	Net Block (Rs. In Lakhs)
2 Plots of Freehold Land at Assam	Freehold Land	3186.50	3186.50
8 Plots of Leasehold Land	Leasehold Land	32185.59	32185.59
4 Premises of Buildings	Building	214.40	170.81
1 Plot of Freehold Land	Investment Property	396.35	396.35

- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, 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.

- vii. (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 undisputed statutory dues in respect of provident fund, employees deposit linked insurance scheme, income tax, service tax, sales tax and value added tax though there has been significant delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2017, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of Payment
Central Sales tax Act 1956	Central Sales Tax	41,839	April 2016 & July 2016	May 21, 2016 & August 21, 2016	May 8, 2017
Assam Value Added Tax Act 2003	Value Added Tax	2,16,180	April 2016 to September 2016	May 2016 to October 2016	May 8, 2017

Annexure - B to Independent Auditor's Report (Contd.)

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income Tax	24.09 Lakhs	2008-09	Supreme Court

viii. 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 loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.

x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Kolkata
May 22, 2017

Avijit Mukerji
Partner
Membership No.056155

Balance Sheet as at 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Note	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	700.50	700.50
Reserves and surplus	3	61,602.13	44,389.70
		62,302.63	45,090.20
Non-current Liabilities			
Long-term borrowings	4	12.75	17.49
Deferred tax liabilities (Net)	5	757.71	714.34
Other Long-term liabilities	6	81.43	86.13
Long-term provisions	7	40.07	34.08
		891.96	852.04
Current Liabilities			
Short-term borrowings	8	3,538.29	1,763.50
Trade payables	9		
(a) Total outstanding dues of micro enterprises and small enterprises and		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,300.81	1,333.32
Other current liabilities	10	1,341.43	1,133.45
Short-term provisions	11	451.04	1,109.97
		6,631.57	5,340.24
Total		69,826.16	51,282.48
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	50,464.43	34,451.83
Capital work-in-progress		593.78	-
Non-current investments	13	9,886.34	9,053.18
Long-term loans and advances	14	1,387.65	528.09
		62,332.20	44,033.10
Current Assets			
Current investments	15	160.37	0.37
Inventories	16	2,048.37	2,332.70
Trade receivables	17	3,495.72	2,996.94
Cash and bank balances	18	143.48	262.46
Short-term loans and advances	19	1,595.76	1,567.05
Other current assets	20	50.26	89.86
		7,493.96	7,249.38
Total		69,826.16	51,282.48

The accompanying notes are an integral part of these financial statements.

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

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

For and on behalf of the Board

Avijit Mukerji
Partner
Membership No. 056155

Basudeo Beriwal
Director

C. K. Dhanuka
Managing Director

Place : Kolkata
Date : May 22, 2017

R. Mahadevan
Company Secretary

Bhavana Khemka
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Note	Year ended 31.03.2017	Year ended 31.03.2016
Revenue from Operations	23	18,773.04	18,309.02
Other Income	24	189.16	342.62
Total Revenue		18,962.20	18,651.64
Expenses			
Cost of materials consumed	25	3,362.49	3,464.95
Changes in inventories of finished goods	26	170.14	(510.41)
Employee benefits expense	27	6,385.92	5,779.18
Finance costs	28	338.30	280.71
Depreciation expense	12	723.58	538.56
Other expenses	29	6,596.58	6,318.19
Total Expenses		17,577.01	15,871.18
Profit before tax		1,385.19	2,780.46
Tax expense:			
Current Tax			
For current year		330.00	615.00
Adjustment for earlier years		0.70	33.98
Deferred tax		43.37	(90.27)
Profit for the year after tax		1,011.12	2,221.75
Earnings per Equity Share [Nominal value per share: Rs.10/- each]			
(1) Basic (₹)	31	14.43	31.72
(2) Diluted (₹)	31	14.43	31.72

The accompanying notes are an integral part of these financial statements.

This is the Statement of Profit & Loss referred to in our Report of even date.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place : Kolkata
Date : May 22, 2017

Basudeo Beriwala
Director

R. Mahadevan
Company Secretary

For and on behalf of the Board

C. K. Dhanuka
Managing Director

Bhavana Khemka
Chief Financial Officer

Notes to Financial Statements for the year ended 31st March, 2017

Note 1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for certain tangible fixed assets which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with accounting standards notified under Section 211(3C) of the Companies Act, 1956, [Companies (Accounting Standards) Rules 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division I) to the Act.

b) Tangible Assets

As per Revised Accounting Standard (AS) 10 on "Property, Plant and Equipment" effective from 01.04.2016, the Company has opted to adopt the Revaluation Model as prescribed therein for Land and Bearer Plants and the Cost Model for other class of assets.

Freehold and Leasehold Land are stated at revalued amounts. Bearer plants being tea bushes are stated at revalued amounts less accumulated depreciation. Revaluation of Land and Bearer Plants are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date. Other Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment loss, if any. Cost comprises cost of acquisition/construction and subsequent improvement thereto including taxes and duties, freight and other incidental expenses relating to acquisition and installation.

c) Depreciation

Depreciation has been provided on straight-line method at the rates determined based on the estimated useful lives of the tangible assets where applicable, specified in Schedule II to the Act and in keeping with other provisions of the said Schedule, which is the same as that evaluated by the management, except for certain categories of Plant and Equipment wherein the estimated useful life has been determined to be 3 years.

Bearer Plants are depreciated over its estimated useful life of 72 years from the date from which they can be commercially harvested.

The estimate of residual value and useful life are reviewed every year.

d) Impairment

An impairment loss is recognised, where applicable, when the recoverable amount of an asset (i.e. higher of the asset's net selling price and value in use) is less than its carrying amount.

e) Investments

Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provision is recorded to recognise, any decline, other than temporary, in the carrying amount of such investment. Investment acquired in exchange of another is carried at cost determined with reference to the fair value of investment given up.

Investment Property represent investment in land that are not intended to be occupied substantially for use by, or in the operations of, the Company. Investment properties are carried at cost.

f) Inventories

Inventories are valued at the lower of cost, computed on a weighted average basis, and estimated net realisable value. Provision is made for obsolescence wherever considered necessary. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

g) Employee Benefits

(i) Short term Employee Benefits :

The undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

- (ii) **Compensated Absences :**
Accumulated compensated absences which are expected to be availed or encashed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensating absences as the additional amount expected to be paid as a result of the unused entitlement as at the year-end.
- (iii) **Post Employment Benefits Plans :**
Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the year.
For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.
- (iv) **Other Long-Term Employee Benefits (unfunded) :**
The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.
- h) **Foreign currency transactions**
Transactions in foreign currency are recorded at daily exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the year-end at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate on the date of transactions. Exchange differences arising on restatement or settlement are recognised in the Statement of Profit and Loss.
- i) **Revenue recognition**
Sales are recognised upon transfer of substantial risk and rewards of ownership in the goods to the buyers as per the terms of the contract and net of trade discounts, sales tax, etc. where applicable. Other items of the revenue are accounted for on accrual basis.
- j) **Other Income**
Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
Dividend income is recognised when the right to receive dividend is established.
Other items are accounted for on accrual basis.
- k) **Borrowing costs**
Borrowing costs attributable to the acquisition, construction or production of qualifying assets (i.e. assets that necessarily take substantial period or time to get ready for their intended use or sale) are added to the cost of those assets. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.
- l) **Current and Deferred Tax**
Current tax in respect of taxable income for the year is recognised based on applicable tax rate and laws.
Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets in respect of carried forward losses and/or unabsorbed depreciation are recognised only when it is virtually certain and in other cases where there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation. Current tax assets

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is legally enforceable right to set off assets and liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

m) Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of lease.

n) Government Grants

- (i) Government grants of the nature of promoters' contribution are credited to Capital Reserve.
- (ii) Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book values.
- (iii) Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with their related costs.

o) Provisions and Contingent Liabilities

Provisions are 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.

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made.

p) Cash & Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

q) Earnings per share

Basic Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period.

For the purpose of calculating the diluted earnings per share the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

r) Use of Estimates

The preparation of financial statements requires use of estimates and assumptions to be made that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Difference between actual amount and estimates are recognised in the period in which the results are known / materialized.

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	As at 31.03.2017	As at 31.03.2016
Note 2 SHARE CAPITAL		
Authorised		
7,500,000 (Previous Year 7,500,000) Equity Shares of Rs. 10/- each	750.00	750.00
Issued, Subscribed and Fully Paid up		
7,004,951 (Previous Year 7,004,951) Equity Shares of Rs. 10/- each	700.50	700.50
Total	700.50	700.50

(a) Reconciliation of number of shares	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	7,004,951	700.50	7,004,951	700.50
Balance as at the end of the year	7,004,951	700.50	7,004,951	700.50

(b) The Company has one class of equity share having a par value of ₹ 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) List of shareholders holding more than 5% of Issued, Subscribed and Paid-up share

	No. of Shares		No. of Shares	
	%	%	%	%
Dhunseri Investments Limited	3,206,397	45.77%	3,122,856	44.58%
Naga Dhunseri Group Limited	615,751	8.79%	615,751	8.79%

(d) During the year 2014-15, 7,004,951 Equity Shares of Rs 10/-each were issued as fully paid up, issued pursuant to the Scheme of Arrangement without payment being received in cash.

Note 3 RESERVES AND SURPLUS

General Reserve #		
Balance as at the beginning of the year	14,753.22	13,753.22
Add: Transfer from Surplus in Statement of Profit and Loss	500.00	1,000.00
Balance as at the end of the year	15,253.22	14,753.22
# General Reserve is a free reserve not meant for meeting any specific liability, contingency or commitment.		
Revaluation Reserve		
Balance as at the beginning of the year	28,464.69	28,837.99
Add: Addition during the year (Refer Note 37)	44,666.00	-
Less: Written back during the year (Refer Note 37)	28,464.69	-
Less : Adjustment during the year [Refer Note 12 (c)]	-	373.30
Balance as at the end of the year	44,666.00	28,464.69

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	As at 31.03.2017	As at 31.03.2016
Note 3 RESERVES AND SURPLUS (Contd.)		
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,171.79	624.52
Add : Profit for the year	1,011.12	2,221.75
Less : Appropriations		
Transfer to General Reserve	500.00	1,000.00
Proposed Dividend on Equity Shares for the year	-	560.40
Dividend Distribution Tax	-	114.08
Balance as at the end of the year	1,682.91	1,171.79
Total	61,602.13	44,389.70

Note 4 LONG-TERM BORROWINGS

Secured		
Term Loans		
From Banks	12.75	17.49
Total	12.75	17.49

Sl. No.	Nature of Security	Terms of Repayment
a)	Term Loans (Auto Loans) from bank amounting to Rs 17.48 lakhs (Previous Year Rs 33.17 lakhs) are secured by hypothecation of respective vehicles.	Equated Monthly Installments beginning from the month subsequent to taking of the Loans.
(b)	Figures indicated in (a) above includes current maturities of respective borrowings which have been presented in Note 10.	

Note 5 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability		
Depreciation	791.59	748.49
	791.59	748.49
Deferred Tax Asset		
Items allowable for tax purposes on payment	33.88	34.15
	33.88	34.15
Net Deferred Tax Liabilities	757.71	714.34

Note 6 OTHER LONG TERM LIABILITIES

Security Deposits	50.00	50.00
Lease Equalisation Account	31.43	36.13
Total	81.43	86.13

Note 7 LONG TERM PROVISIONS

Provision for employee benefits		
Provision for Leave Encashment	40.07	34.08
Total	40.07	34.08

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	As at 31.03.2017	As at 31.03.2016
Note 8 SHORT TERM BORROWINGS		
Secured		
Loan repayable on demand from Banks	1,353.34	436.84
	1,353.34	436.84
Unsecured		
Other Loans from Banks	2,184.95	1,326.66
	2,184.95	1,326.66
Total	3,538.29	1,763.50

Nature of Security

Loans repayable on demand from Banks are secured by a first hypothecation charge on the current assets of the Company, viz. stock 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 movables, both present and future, wherever situated. Secured by a first hypothecation charge on the movable fixed assets of the Company and equitable mortgage over the immovable properties by deposit of title deeds of tea estates.

Note 9 TRADE PAYABLES

Total outstanding dues of Micro and Small Enterprises [Refer (a) below]	-	-
Total outstanding dues of creditors other than Micro and Small Enterprises	1,300.81	1333.32
	1,300.81	1,333.32

(a) Based on the information available with the Company there are no amounts payable under Micro, Small and Medium Enterprise Development Act, 2006.

Note 10 OTHER CURRENT LIABILITIES

Current Maturities of Long-term debts (Refer Note 4)	4.73	15.68
Interest accrued but not due on borrowings	20.46	3.28
Liability for Capital Goods	68.96	29.33
Statutory Dues	165.05	183.16
Unpaid Dividends [Refer (a) below]	12.23	10.75
Temporary Book Overdraft	153.38	-
Lease Equalisation Account	6.61	-
Advance From Customers	41.57	28.83
Employee Benefits	868.44	862.42
	1,341.43	1,133.45

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013.

Note 11 SHORT TERM PROVISIONS

Provision for Employee Benefits		
Provision for Leave Encashment	42.24	37.03
Provision for Gratuity	229.68	322.11
Others		
Provision for Central Income Tax [(Net of Advance Tax of Rs 738.63 lakhs) (Previous Year Rs 906.90 lakhs)]	179.12	76.35
Provision for Proposed Dividend	-	560.40
Provision for Tax on Dividend	-	114.08
	451.04	1,109.97

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

(Rs. in lakhs)

Note 12 TANGIBLE ASSETS

Particulars	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	As at 31.03.2016	Amount added on Revaluation (Refer Note 37)	Amount written back on Revaluation [Refer Note 37 & Note 12(c)]	Additions	Disposal	As at 31.03.2017	Upto 31.03.2016	For the year ended 31.03.2017 (Refer Note 37)	Sale or Adjustments	Total up to 31.03.2017	As at 31.03.2017
Freehold Land (Refer Note a(i) below)	1,561.86	2,803.71	1,179.07	-	-	3,186.50	-	-	-	-	3,186.50
Leasehold Land (Refer Note a(ii) & (c) below)	18,252.24	32,185.70	18,252.35	-	-	32,185.59	-	-	-	-	32,185.59
Bearer Plant	10,106.40	9,179.23	9,033.27	215.77	-	10,468.13	-	236.67	-	236.67	10,231.46
Buildings (Refer Note a(iii) & (b) below)	3,241.73	-	-	54.35	-	3,296.08	1,265.55	114.82	-	1,380.37	1,915.71
Plant and Equipment	6,223.38	-	-	698.99	-	6,922.37	4,194.80	264.11	-	4,458.91	2,463.46
Office Equipment	22.96	-	-	-	-	22.96	8.95	-	-	8.95	14.01
Furniture and Fixtures	550.59	-	-	9.41	-	560.00	288.14	50.54	-	338.68	221.32
Vehicles	760.19	-	-	53.95	5.99	808.15	510.08	57.44	5.75	561.77	246.38
Total	40,719.35	44,168.64	28,464.69	1,032.47	5.99	57,449.78	6,267.52	723.58	5.75	6,985.35	50,464.43

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

(Rs. in lakhs)

Note 12 TANGIBLE ASSETS (Contd.)

Particulars	GROSS BLOCK					DEPRECIATION			NET BLOCK		
	As at 31.03.2015	Amount added on Revaluation	Amount written back on Revaluation	Additions	Disposal	As at 31.03.2016	Upto 31.03.2015	For the year ended 31.03.2016	Sale or Adjustments	Total up to 31.03.2016	As at 31.03.2016
Freehold Land (Refer Note a(i)) below	1,561.86	-	-	-	-	1,561.86	-	-	-	-	1,561.86
Leasehold Land and Estate Development (Refer Note a (ii) and c below)	28,731.94	-	(373.30)	-	-	28,358.64	-	-	-	-	28,358.64
Buildings (Refer a(iii) & b below)	3,195.35	-	-	46.38	-	3,241.73	1,093.92	171.63	-	1,265.55	1,976.18
Plant and Equipment	6,100.95	-	-	122.43	-	6,223.38	3,923.87	270.93	-	4,194.80	2,028.58
Office Equipment	22.81	-	-	0.15	-	22.96	8.95	-	-	8.95	14.01
Furniture and Fixtures	546.82	-	-	3.77	-	550.59	248.92	39.22	-	288.14	262.45
Vehicles	704.10	-	-	65.52	9.43	760.19	458.88	56.78	5.58	510.08	250.11
Total	40,863.83	-	(373.30)	238.25	9.43	40,719.35	5,734.54	538.56	5.58	6,267.52	34,451.83

a) All the 10 tea estates of Dhunseri Tea & Industries Limited (erstwhile Dhunseri Services Ltd.) have been transferred from Dhunseri Petrochem Ltd (formerly Dhunseri Petrochem & Tea Ltd), pursuant to a Scheme of Arrangement with effect from 1st April, 2014 and the grants/title deeds in respect thereof are yet to be transferred in the name of the Company. On the date of such transfer the title deeds/NLR grants, were still held in the name of the original owners. The details of which are in note (i) to (ii) below:-

- Freehold Land represents two tea estates located at Assam, acquired through partnership with an HUF/ pursuant to a Scheme of Amalgamation.
- Leasehold Land represents eight tea estates, located at Assam, which were acquired pursuant to a Scheme of Amalgamation.
- Building, includes [Gross Block and Net Block amounting to Rs 214.40 lakhs (Previous Year 214.40 Lakhs) and Rs 170.81 lakhs (Previous Year Rs 174.19 Lakhs) respectively], two properties located at Kolkata for which, the conveyance deeds are yet to be executed and two properties (one located at Kolkata and one at Mumbai), which were acquired, pursuant to the Scheme of Arrangement referred to in Note (a) above, for which title deeds are yet to be transferred as at 31st March 2017.

(b) Gross Block and Accumulated Depreciation includes building on rented land amounting to Rs 521.80 lakhs (Previous Year Rs 521.80 lakhs) and Rs 65.33 lakhs (Previous Year Rs 57.10 lakhs) respectively.

(c) The Assam Government had acquired 84.54 hectares of Land under the Assam Fixation of Ceiling on Land Holdings Act, 1956. Pending the receipt of Land in exchange/finalisation of compensation money from the authorities in respect of the above acquisition, the amount recognised in revaluation reserve in earlier year has been adjusted.

(d) Replantation Subsidy and Capital Subsidy amounting to Rs 29.81 lakhs (Previous Year : Nil) and Rs 7.08 lakhs (Previous Year : Nil) respectively received during the year under Special Purpose Tea Fund Scheme and Plantation Development Scheme has been adjusted against the cost of respective assets.

(e) Capital work-in-progress

Particulars	As at 31.03.2016	Amount added on Revaluation (Refer Note 37)	Additions during the year	Capitalised during the year	As at 31.03.2017
Capital Work in Progress	-	497.36	312.19	(215.77)	593.78

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Note 13 NON-CURRENT INVESTMENTS

(valued at cost unless otherwise stated)		No of shares		Book Value	
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
A. Trade Investments					
In Equity Instruments-Unquoted Fully Paid-up					
(i) Investment in Subsidiary					
Dhunseri Petrochem & Tea Pte Ltd.	US\$ 1	11,527,551	11,527,551	6,429.96	6,429.96
Elfin Heights Private Limited	10	3,810,000	-	381.00	-
				6,810.96	6,429.96
(ii) Others					
Dhunseri Overseas Private Limited	10	2,990,000	-	299.00	-
B. Other Investments					
(i) Investment Property					
Freehold Land (Refer Note 41)				773.73	773.39
(ii) Investment Property includes Rs 396.35 lakhs (Previous Year Rs 396.35 lakhs) being Freehold land which were acquired pursuant to the Scheme of Arrangement for which title deeds are not held in the name of the Company.					
(iii) In Equity Shares - Quoted, Fully Paid up					
Divi's Laboratories Limited	2	2,101	29,949	23.78	316.38
Kotak Mahindra Bank Limited	5	36,125	33,522	247.40	227.36
PVR Limited	10	51,300	49,245	430.25	405.26
Schneider Electric Infrastructure Limited	2	100,000	99,990	172.85	172.84
Force Motors Limited	10	8,730	8,740	230.09	230.35
Capital First Limited	10	89,850	81,596	370.05	324.84
Take Solutions Limited	1	70,800	70,794	112.81	112.80
State Bank of India	1	18,200	-	45.29	-
Bank of Baroda	2	29,300	-	45.08	-
Suprajit Engineering Ltd	1	8,100	-	15.04	-
				1,692.64	1,789.83
(iv) In Equity Shares - Unquoted, Fully Paid up					
Mira Estates Private Limited	10	600,000	600,000	60.00	60.00
AU Financiers (India) Limited	10	142,860	-	250.01	-
				310.01	60.00
				9,886.34	9,053.18
Aggregate amount of Quoted Investments (Book Value)				1,692.64	1,789.83
Market value of Quoted Investments (Market Value)				2,513.34	1,733.77
Aggregate amount of Unquoted Investments (Book Value)				7,419.97	6,489.96
Aggregate amount of Investment Property				773.73	773.39

Note 14 LONG TERM LOANS AND ADVANCES

Unsecured, considered good		
Capital Advances		371.55
Deposit with National Bank for Agriculture and Rural Development		742.00
Prepaid Expenses		8.46
Loans to Staff		9.04
Security Deposits		
With Related Party		61.50
With Others		195.10
		1,387.65
		528.09

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Note 15 CURRENT INVESTMENTS	Face Value	No. of Units		Book Value	
		As at	As at	As at	As at
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
Current Investments-other than Trade (Unquoted) (Valued at cost or market value whichever is lower)					
Investments in Mutual Funds					
SBI Premier Liquid Fund - Regular Plan - Growth	₹ 10	6,342.92	-	160.00	-
HDFC Top 200 Fund - Growth	₹ 10	147	147	0.37	0.37
				160.37	0.37
Aggregate Amount of Unquoted Investments (Book Value)				160.37	0.37

Note 16 INVENTORIES

(At lower of cost and net realisable value)			
Finished goods [(includes in transit Rs 86.81 lakhs) Previous Year Rs 93.06 lakhs]		1,103.15	1,273.29
Stores and spares including packing materials [(includes in transit ₹ 29.39 lakhs) Previous Year Rs 13.73 lakhs]		945.22	1,059.41
		2,048.37	2,332.70

Note 17 TRADE RECEIVABLES

Unsecured			
Outstanding for a period exceeding 6 months from the date they are due for payment			
Considered Doubtful		5.05	5.10
Other debts - Considered Good		3,495.72	2,991.84
Less : Provision for Doubtful Debt		(5.05)	-
		3,495.72	2,996.94

Note 18 CASH AND BANK BALANCES

Cash and Cash Equivalents			
Balances with Banks			
Current Accounts		88.07	165.95
Cash Credit Accounts		22.84	69.97
Unpaid Dividend Accounts [Refer (a) below]		12.23	10.75
Cash on hand		20.34	15.79
		143.48	262.46

(a) Earmarked for payment of Dividend

Note 19 SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good			
Loans and advances to a related party (Refer Note 32)		178.29	191.77
Deposit with Government Authorities		3.94	3.94
Deposit with National Bank for Agriculture and Rural Development		525.21	600.00
Others			
Loans to Staff		12.98	16.60
Loan to other*		-	95.00
Advance to Suppliers/Service Providers		450.02	459.88
Advance against purchase of Shares		158.70	-
Prepaid Expenses		39.40	113.07
Advance Agricultural Income Tax [(Net of provision for tax Rs 171.10 lakhs)(Previous Year Rs. 416.55 lakhs)]		227.22	86.79
		1,595.76	1,567.05

*Previous Year Loan given for business purpose and carries an interest rate of 8.50%

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	As at 31.03.2017	As at 31.03.2016
Note 20 OTHER CURRENT ASSETS		
Unsecured, considered good		
Interest accrued on Deposits	50.18	58.22
Receivables against others/sale of assets	0.08	31.64
	50.26	89.86

Note 21 CONTINGENT LIABILITIES

(a) Claims against the Company not acknowledged as debts		
Income Tax-matter under dispute	24.09	77.77
(b) Standby Letters of Credit issued in connection with loan taken by Dhunseri Petrochem & Tea Pte Limited, a wholly owned subsidiary, from a bank	5,561.21	6,468.78
(c) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.		
(d) The Company does not expect any reimbursements in respect of the above contingent liabilities.		

Note 22(A) CAPITAL COMMITMENT

Estimated value of contracts in capital account remaining to be executed	166.26	-
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Note 22(B) PROPOSED DIVIDEND

The final dividend proposed for the year is as follows:		
On Equity Shares of Rs 10 each		
(a) Amount of dividend proposed for the year	560.40	560.40
(b) Dividend per Equity Share (Rs)	8.00	8.00
(c) Related Tax Impact	114.08	114.08

The Board of Directors in its meeting on May 22, 2017 has proposed a final dividend of Rs 8/- per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of the shareholders at the Annual General Meeting and if approved would result in a cash outflow of Rs 674.48 Lakhs.

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 23 REVENUE FROM OPERATIONS		
Sale of Products		
Tea	12,240.77	11,766.45
Packet Tea	6,507.29	6,447.40
Atta	24.01	47.54
Other Operating Revenues		
Tea Subsidy-Orthodox	0.97	12.02
Tea Subsidy-Replantation	-	32.69
Tea Subsidy-Quality Upgradation	-	2.92
	18,773.04	18,309.02

Note 24 OTHER INCOME

Interest Income	91.68	80.04
Profit on Sale of Current Investments	22.57	221.35
Rent Received	1.20	1.20
Dividend Received	4.14	3.43
Liabilities no longer required written back	1.37	4.61
Insurance Claim	9.10	22.33
Profit on sale of Fixed Assets	1.73	-
Foreign Exchange Gain	47.25	2.56
Miscellaneous Income	10.12	7.10
	189.16	342.62

Note 25 COST OF MATERIALS CONSUMED

Raw Materials		
Green leaf (All indigenous)-purchased and consumed	3,359.99	3,408.91
Wheat (All indigenous)-purchased and consumed	2.50	56.04
	3,362.49	3,464.95

Note 26 CHANGES IN INVENTORIES OF FINISHED GOODS

(Increase)/Decrease in Stock		
Stock at the end of year		
Finished Goods - Tea	1,103.15	1,273.29
Stock at the beginning of the year		
Finished Goods - Tea	1,273.29	762.88
Net (Increase)/Decrease in Stock	170.14	(510.41)

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 27 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	5,145.64	4,660.62
Contribution to provident and other funds	747.64	757.04
Staff welfare expenses	492.64	361.52
	6,385.92	5,779.18

Note 28 FINANCE COSTS

Interest expense	239.64	212.23
Other borrowing costs	46.36	20.66
Applicable net loss on foreign currency transactions and translation	52.30	47.82
	338.30	280.71

Note 29 OTHER EXPENSES

Consumption of stores and spare parts including Packing Material (all indigenous)	1,324.85	1,517.90
Power and fuel	1,754.18	1,721.34
Rent	154.04	152.97
Repairs and Maintenance		
Plant and Machinery	185.90	215.88
Buildings	63.60	85.56
Others	384.18	363.21
Insurance	53.46	48.93
Rates and Taxes	113.86	80.54
Freight, delivery and shipping charges	407.17	376.50
Brokerage and commission on sales	196.89	180.09
Other Selling Expenses	619.27	472.46
Cess on Tea	159.42	150.52
Advertisements	316.08	164.30
Travelling and Conveyance	227.33	167.52
Loss on sale on fixed assets	-	1.11
Provision for doubtful debt	5.05	-
Expenditure towards Corporate Social Responsibility activities	43.00	33.00
Miscellaneous Expenses (Refer (a) below)	588.30	586.36
	6,596.58	6,318.19

(a) Includes Auditors' remuneration paid/payable for the year as follows:

Audit Fees	17.50	17.50
Limited Review	4.50	4.50
For other matters (Certificates, etc.)	2.25	2.85
Reimbursement of expenses [excluding service tax Rs. 3.64 lakhs (Previous Year Rs 3.86 lakhs)]	0.70	0.26
	24.95	25.11

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

Note 30 EMPLOYEE BENEFIT OBLIGATIONS

I. Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Fund make payment to vested employees at retirement, death/disability, withdrawal of an amount based on the respective employee's eligible salary for specified number of days depending upon the tenure of service subject to a maximum limit of Rs 10 lakhs. Vesting occurs upon completion of five years of service. Liability with regard to the aforesaid gratuity plan is determined by actuarial valuation as set out in Note 1(g)(iii) above, based upon which the Company makes annual contributions for Gratuity to the Trust Fund.

(All amounts in ₹ lakhs unless otherwise indicated)

	31st March 2017 Funded	31st March, 2016 Funded
(a) Change in Defined Benefit Obligation during the year ended 31st March 2017		
Present value of Defined Benefit Obligation as at 1st April, 2016	1,757.29	1,450.24
Current Service Cost	101.43	122.35
Interest Cost	132.72	112.03
Benefits Paid	(111.37)	(99.78)
Actuarial (gain)/loss on Obligation	138.30	172.45
Present Value of Defined Benefit Obligation as at 31st March, 2017	2,018.37	1,757.29
(b) Change in Fair Value of Assets during the year ended 31st March 2017		
Fair Value of Plan Assets as at 1st April, 2016	1,435.18	1,246.65
Expected Return on Plan Assets	123.24	116.87
Contributions Made	322.11	203.59
Benefits Paid	(111.37)	(99.78)
Actuarial gain / (loss) on Plan Assets	19.53	(32.15)
Fair value of Plan Assets as at as at 31st March, 2017	1,788.69	1,435.18
(c) Net (Asset)/Liability recognised in the Balance Sheet as at 31st March, 2017		
Present Value of the Defined Benefit Obligation	2,018.37	1,757.29
Fair value of Plan assets	1,788.69	1,435.18
Net (Asset)/Liability recognised in the Balance Sheet	229.68	322.11
(d) Expense recognised in the Statement of Profit and Loss for the year ended 31st March, 2017		
Current Service Cost	101.43	122.35
Interest Cost	132.72	112.03
Expected return on plan assets	(123.24)	(116.87)
Net actuarial (gain)/loss recognised during the year on defined benefit obligations	118.77	204.60
Total Expense/(Income) in the Statement of Profit and Loss (in Note 27- Employee benefits expense under the head "Contribution to Provident and Other Funds")	229.68	322.11
(e) Major Categories of Plan Assets as a percentage of total plans as at 31st March, 2017		
Investment with Private Insurance Companies	26.67%	29.24%
Administered by Life Insurance Corporation of India	69.58%	65.28%
Investment in Mutual Fund	0.59%	0.65%
Special Deposits and Bonds	2.65%	3.32%
Others including Bank Balances	0.52%	1.51%

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

Note 30 EMPLOYEE BENEFIT OBLIGATIONS (contd.)

(All amounts in ₹ lakhs unless otherwise indicated)

	31st March 2017 Funded	31st March, 2016 Funded	31st March, 2015 Funded
(f) Experience adjustments			
Defined Benefit Obligation	2,018.37	1,757.29	1,450.24
Fair value of Plan Assets	1,788.69	1,435.18	1,246.65
Status Surplus/(Deficit)	(229.68)	(322.11)	(203.59)
Experience adjustments on Plan Liabilities Gain/(Loss)	(30.18)	84.58	26.71
Experience adjustments on Plan Assets Gain/(Loss)	19.53	(32.15)	29.80
(g) Actuarial Assumptions		Year ended 31.03.2017	Year ended 31.03.2016
Mortality Table		Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate
Discount rate		7.10%	7.80%
Salary Escalation rate		6.00%	6.00%
Expected Return on Plan Assets		8.00%	8.00%
(h) Actual Return on Plan Assets		142.77 lakhs	78.27 lakhs

- (i) The estimate of future salary increase considered in 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 plan assets held, assessed risk, historical results on plan assets, the Company's policy for plan asset management and other relevant factors.
- (j) The net liability recognised in the Balance Sheet is expected to be paid in full within the next year.
- (k) The Company provides for Superannuation benefit to certain employees wherein 15% of basic salary is funded with Life Insurance Corporation of India. Contribution during the year to such Fund amounts to Rs 7.54 lakhs (Previous Year Rs. 7.30 lakhs) and has been recognised as an expense and included in Note 27- Employee benefits expenses under the head "Contribution to provident and other funds" in the Statement of Profit and Loss.
- (l) The Company contributes 12% of the basic salary of Head Office employees towards Pension/Provident Fund Scheme to the Regional Provident Fund Commissioner, West Bengal and 12% of the basic salary of garden staff/workers to Assam Tea Plantation Provident Fund account. Contribution during the year to such Funds amount to Rs 510.42 lakhs (Previous Year Rs 425.95 lakhs) and has been recognised as an expense and included in Note 27- Employee benefits expenses under the head "Contribution to provident and other funds" in the Statement of Profit and Loss.

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 31 EARNINGS PER EQUITY SHARE		
1. Basic		
(a) Earnings attributable to equity shareholders (Rs. in lakhs)	1,011.12	2,221.75
(b) Weighted Average number of Ordinary Shares outstanding during the year	7,004,951	7,004,951
(c) Earning per share		
- Basic (a/b) (in Rs.)	14.43	31.72
2. Diluted		
(a) Dilutive potential Ordinary Shares	-	-
(b) Diluted Earnings per share [same as in 1 (c) above] (in Rs.)	14.43	31.72

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

Note 32 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18

Names of related parties and description of relationship :

Where control exists

(A) Subsidiary Company :

- (1) Dhunseri Petrochem & Tea Pte Ltd.
- (2) Elfin Heights Private Ltd

(B) (a) Subsidiaries of Dhunseri Petrochem & Tea Pte Ltd.

- (3) Makandi Tea & Coffee Estates Ltd.
- (4) Kawalazi Estate Company Ltd.

(B) (b) Subsidiary of Makandi Tea & Coffee Estates Ltd

- (5) A M Henderson & Sons Ltd

Others

(C) Group Companies (i.e. Companies in which Key Management Personnel is able to exercise significant influence) :

- (6) Naga Dhunseri Group Limited
- (7) Trimplex Investments Limited
- (8) Mint Investments Limited
- (9) Dhunseri Investments Limited
- (10) Dhunseri Petrochem Limited
- (11) Dhunseri Overseas Private Limited

(D) Key Management Personnel

- (12) Mr. C.K.Dhanuka

(E) Relative of Key Management Personnel

- (13) Mr. Mrigank Dhanuka

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
Nature of Transactions/Balances		
A Subsidiary Company		
Dhunseri Petrochem & Tea Pte. Ltd.		
Investment in Shares	6,429.96	6,429.96
Loan Receivable*	178.29	191.77
Interest Receivable	9.34	25.00
Interest Income	16.34	38.19
Elfin Heights Private Ltd		
Investment in Shares	381.00	-
Loan Given#	280.00	-
Loan Repaid	375.00	-
Interest Income	9.04	-
Reimbursement of Expenses	10.02	-
B. Group Companies		
Dhunseri Petrochem Limited		
Reimbursement of Expenses	2.39	-
Trimplex Investments Limited		
Rent and Service Charges	76.64	76.57
Security Deposit Paid	61.50	61.50
Naga Dhunseri Group Limited		
Rent Paid	29.76	29.77
Mint Investments Limited		
Rent and Service Charges	30.23	29.97
Dhunseri Investments Limited		
Rent Paid	28.77	28.53
Dhunseri Overseas Private Limited		
Investment in Shares	299.00	-

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

Note 32 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18 (contd.)

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
Nature of Transactions/Balances (Contd.)		
C. Key Management Personnel		
Mr. C.K. Dhanuka		
Remuneration	52.77	98.98
Commission payable	(25.00)	(65.00)
Rent Received	0.60	0.60
Security Deposit Received	(25.00)	(25.00)
D. Relative of Key Management Personnel		
Mr. M. Dhanuka		
Rent Received	0.60	0.60
Security Deposit Received	(25.00)	(25.00)
Director Fees	0.30	0.20

*Loan given for business purpose and carries an interest @ 8.65% p.a.(Previous Year 8.65% p.a.)

#Loan given for business purpose and carries an interest @ 8.50% p.a.(Previous Year 8.50% p.a.)

Note 33 EXPENDITURE IN FOREIGN CURRENCY

Travelling Expenses	18.08	5.85
Interest Expenses	31.15	-

Note 34 EARNINGS IN FOREIGN CURRENCY

Interest Income	16.34	38.19
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Note 35 Research and Development Expenditure charged to revenue	16.67	11.92
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Note 36 SEGMENT REPORTING

Since the Company is mainly engaged in the integrated process of growing, harvesting and sale of loose and packet tea, it has only a single business segment on the reporting date.

Note 37 CHANGE IN ACCOUNTING POLICY

As per Paragraph 32 of revised Accounting Standard (AS) 10 "Property, Plant and Equipment" effective from 01.04.2016, the Company has opted to adopt the Revaluation Model as prescribed therein for Land and Bearer Plants and the Cost Model for other class of assets. Accordingly Revaluation Reserves recognised in the previous years has been written back by Rs 19,431.42 lakhs and Rs 9,033.27 lakhs on account of Land and Bearer plants respectively and a fresh revaluation carried out as on 1.4.2016. wherein Rs 34,989.41 lakhs and Rs 9,676.59 lakhs has been added as revaluation reserve on account of Land and Bearer Plants (including Capital work-in-progress) respectively. Also as per the requirement of Revised Accounting Standard depreciation amounting to Rs 236.67 lakhs for the year ended 31st March 2017 on bearer plants has been provided.

Replantation expenditure amounting to Rs. 246.70 lakhs for the year ended 31st March 2017 which was hitherto charged to the Statement of Profit and Loss has been debited to Capital-Work in Progress during the year ended 31st March 2017.

Consequent to above replantation subsidy amounting to Rs 29.81 lakhs for the year ended 31st March 2017 which was hitherto credited to the Statement of Profit & Loss, has also been reduced from the carrying amount of the bearer plants.

As a result, profit for the year ended 31st March 2017 is lower by Rs 19.78 lakhs.

Note 38 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

Foreign Currency Exposure that are not hedged by a derivative instrument or otherwise -

Loan Taken Rs 1384.95 lakhs (Previous Year Rs 1326.66 lakhs) and interest accrued thereon Rs 5.19 lakhs (Previous Year Rs 3.28 lakhs).

Loan Given Rs 178.29 lakhs (Previous Year Rs 191.77 lakhs).

Interest Receivable 9.34 lakhs (Previous Year Rs 25 lakhs).

Notes to Financial Statements (contd.) for the year ended 31st March, 2017

Note 39 LEASE OBLIGATION

Operating Lease

The Company has taken various office premises, factory premises and residential accommodation for employees under operating cancellable lease arrangements having tenures ranging between 5 and 9 years. There is no specific obligation for renewal of these agreements. Lease rent for the period amounts to Rs. 124.27 lakhs (Previous Year Rs 123.20 lakhs) debited to the Statement of Profit and Loss.

Note 40 REVALUATION

Freehold Land, Leasehold Land and Bearer Plants are located at the ten tea estates of the Company were revalued on April 1, 2016 by Ernst & Young LLP, independent valuer on the bases as set out below:

Freehold Land and Leasehold Land- Market Method whereby the market rates are based on the available circle rates of the regions close to the tea estates of the Company after applying a discount rate for the large size of land, limited buyers, low frequency of transactions and restricted use.

Bearer Plant - Depreciated Replacement Cost Method whereby the replacement cost was calculated based on the Tea Board of India's published rate of Unit Cost per hectare for replantation.

The resultant increase in Net Book Value of Rs. 34,989.41 lakhs for Land and Rs 9,676.59 lakhs for Bearer Plants has been credited to the Revaluation Reserve included under Reserves and Surplus (Note 3).

Note 41

Out of a total of 12.92 hectares (Previous Year 12.92 Hectares) Freehold land under Investment Property as mentioned in Note 13 on Non-Current Investments, 6.25 Hectares (Previous Year 6.25 Hectares) of land which was earlier declared as Private Forest land under the provisions of the Maharashtra Private Forest (Acquisition) Act 1975, has been mutated in the name of Dhunseri Petrochem & Tea Ltd (being the transferor company in the Scheme of Arrangement executed in the FY 2014-15) during the year. Pending completion of relevant formalities the same is yet to be transferred in the name of the Company.

Note 42

Miscellaneous expenses (Refer Note 29) include a donation of Rs 25 lakh (Previous Year Rs Nil) for a political purpose to All India Trinamool Congress and Rs Nil (Previous Year Rs 20 lakhs) to Assam Pradesh Congress Committee.

Note 43

Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8th November 2016 to 30th December 2016

Particulars	(Rs in lakhs)		
	SBNs*	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.16	17.11	7.32	24.43
(+) Permitted Receipts	-	509.63	509.63
(-) Permitted Payments	0.82	439.89	440.71
(-) Amount deposited in Banks	16.29	3.00	19.29
Closing cash in hand as on 30.12.16	-	74.06	74.06

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

Note 44

Pending completion of relevant formalities certain assets and liabilities acquired pursuant to the Scheme of Arrangement remain included in the books of the Company under the name of the transferor Company.

Note 45

Previous period's figures have been regrouped and rearranged wherever necessary.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

For and on behalf of the Board

Avijit Mukerji
Partner
Membership No. 056155

Basudeo Beriwala
Director

C. K. Dhanuka
Managing Director

Place : Kolkata
Date : May 22, 2017

R. Mahadevan
Company Secretary

Bhavana Khemka
Chief Financial Officer

CASH FLOW STATEMENT for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Note	Year ended 31.03.2017	Year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,385.19	2,780.46
Adjustments for :			
Interest Income		(91.68)	(80.04)
(Profit)/Loss on sale of Investments		(22.57)	(221.35)
Finance Cost		338.30	280.71
Depreciation		723.58	538.56
Liabilities no longer required written back		(1.37)	(4.61)
Dividend Received		(4.14)	(3.43)
Provision for Doubtful Debt		5.05	-
Unrealized Foreign Exchange Loss/(Gain)		(53.72)	58.28
(Profit)/Loss on sale of Fixed Assets		(1.73)	1.11
Operating Profit before Working Capital Changes		2,276.91	3,349.69
Adjustments for :			
Trade and other receivables		(912.37)	(1,028.05)
Inventories		284.33	(648.83)
Trade payables and other liabilities		(109.81)	712.45
Cash used in operations		1,539.06	2,385.26
Direct Taxes (Paid) / Received		(368.36)	(609.76)
Net Cash (used in)/from Operating Activities		1,170.70	1,775.50
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Tangible Assets		(1,346.78)	(345.59)
Loan repaid by subsidiary		9.55	427.33
Disposal of Tangible Assets		1.97	2.74
Receipt of maturity proceeds of Fixed Deposit with bank		-	4.75
Purchase of Current Investments		(263.00)	-
Purchase of Non Current Investments		(1,204.21)	(1,849.84)
Investment in shares of Dhunseri Petrochem & Tea Pte Ltd		-	(232.56)
Investment in shares of Elfin Heights Private Limited		(381.00)	-
Sale of Current Investments		105.45	1,849.77
Sale of Non Current Investments		613.81	-
Receipt of Dividend		4.14	3.43
Purchase of Investment Property		(0.34)	(36.69)
Interest received		99.72	76.80
Loan repaid by body corporate		95.00	12.00
Loan given to body corporate		-	(95.00)
Net Cash (used in)/from Investing Activities		(2,265.69)	(182.86)

CASH FLOW STATEMENT (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Note	Year ended 31.03.2017	Year ended 31.03.2016
C. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Long term borrowing		(15.69)	(425.21)
Proceeds of Long term Borrowings		-	23.00
Proceeds of Short term Borrowings		4,638.08	3,888.31
Repayment of Short term borrowing		(2,652.26)	(5,284.19)
Interest paid		(321.12)	(285.92)
Dividend Paid		(673.00)	(630.65)
Net Cash (used in)/from Financing Activities		976.01	(2,714.66)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)			
		(118.98)	(1,122.02)
Cash and Cash Equivalents (Opening balance)		262.46	1,384.48
Cash and Cash Equivalents (Closing balance) (Refer Note 18)		143.48	262.46

1. Cash and Cash Equivalents represents cash and bank balances only.
2. 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.
3. The Notes referred to above form an integral part of the Cash Flow Statement.
4. Previous period's figures have been regrouped/rearranged wherever necessary.

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

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

For and on behalf of the Board

Avijit Mukerji
Partner
Membership No. 056155

Basudeo Beriwal
Director

C. K. Dhanuka
Managing Director

Place : Kolkata
Date : May 22, 2017

R. Mahadevan
Company Secretary

Bhavana Khemka
Chief Financial Officer

Independent Auditor's Report

To The Members of

DHUNSERI TEA & INDUSTRIES LIMITED

Report on Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Dhunseri Tea & Industries Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); (refer Note 1 A(i) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Independent Auditor's Report (Contd.)

Other Matter

8. We did not audit the financial statements/financial information of four subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 44,067.24 lakhs and net assets of Rs. 32,392.14 lakhs as at March 31, 2017, total revenue of Rs. 12,745.65 lakhs, net profit of Rs. 1,734.21 lakhs and net cash outflows amounting to Rs. 16.27 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that :

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group, Refer Note 22 to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts as at March 31, 2017.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Holding Company and as produced to us by the Management - Refer Note 42.

Kolkata
May 22, 2017

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Avijit Mukerji
Partner
Membership No:056155

Annexure A to Independent Auditor's Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Dhunseri Tea & Industries Limited on the consolidated financial statements for the year ended March 31, 2017

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Dhunseri Tea & Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Annexure A to Independent Auditor's Report (Contd.)

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Kolkata
May 22, 2017

Avijit Mukerji
Partner
Membership No:056155

Consolidated Balance Sheet as at 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Note	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	700.50	700.50
Reserves and surplus	3	73,976.48	39,821.05
		74,676.98	40,521.55
Non-current Liabilities			
Long-term borrowings	4	4,742.40	5,348.77
Deferred tax liabilities (Net)	5	1,513.83	1,431.47
Other Long-term liabilities	6	434.50	86.13
Long-term provisions	7	205.72	309.33
		6,896.45	7,175.70
Current Liabilities			
Short-term borrowings	8	5,989.62	4,439.84
Trade payables	9		
(a) Total outstanding dues of micro enterprises and small enterprises and		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,026.38	2,275.58
Other current liabilities	10	2,730.70	2,216.57
Short-term provisions	11	1,124.67	1,134.06
		11,871.37	10,066.05
Total		93,444.80	57,763.30
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	12	74,875.54	42,147.28
Intangible assets	13	1,743.23	1,743.23
Capital work-in-progress		778.46	-
Non-current investments	14	3,075.38	2,623.22
Long-term loans and advances	15	1,751.38	528.09
		82,223.99	47,041.82
Current Assets			
Current investments	16	160.37	0.37
Inventories	17	3,698.68	3,780.74
Trade receivables	18	5,419.82	4,679.68
Cash and bank balances	19	246.04	381.28
Short-term loans and advances	20	1,654.98	1,814.55
Other current assets	21	40.92	64.86
		11,220.81	10,721.48
Total		93,444.80	57,763.30

The accompanying notes are an integral part of these financial statements.
This is the Consolidated Balance Sheet referred to in our Report of even date.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

For and on behalf of the Board

Avijit Mukerji
Partner
Membership No. 056155

Basudeo Beriwala
Director

C. K. Dhanuka
Managing Director

Place : Kolkata
Date : May 22, 2017

R. Mahadevan
Company Secretary

Bhavana Khemka
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Note	Year ended 31.03.2017	Year ended 31.03.2016
Revenue from Operations	24	30,183.29	27,355.56
Other Income	25	798.44	1,284.98
Total Revenue		30,981.73	28,640.54
Expenses			
Cost of materials consumed	26	3,513.00	3,555.66
Changes in inventories of finished goods	27	163.50	(433.02)
Employee benefits expense	28	7,553.04	6,962.15
Finance costs	29	820.70	873.03
Depreciation expense	12	1,681.09	888.78
Other expenses	30	13,456.94	13,592.78
Total Expenses		27,188.27	25,439.38
Profit before tax		3,793.46	3,201.16
Tax expense:			
Current Tax			
For current year		959.10	640.35
Adjustment for earlier years		0.70	37.24
Deferred tax		111.89	(7.31)
Profit for the year after Tax		2,721.77	2,530.88
Earnings per Equity Share: [Nominal value per share : Rs.10/- each]			
(1) Basic (Rs.)	32	38.85	36.13
(2) Diluted (Rs.)	32	38.85	36.13

The accompanying notes are an integral part of these financial statements.

This is the Consolidated Statement of Profit & Loss referred to in our Report of even date.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place : Kolkata
Date : May 22, 2017

Basudeo Beriwal
Director

R. Mahadevan
Company Secretary

For and on behalf of the Board

C. K. Dhanuka
Managing Director

Bhavana Khemka
Chief Financial Officer

Notes to Consolidated Financial Statements for the year ended 31st March, 2017

Note 1 GROUP STRUCTURE AND SIGNIFICANT ACCOUNTING POLICIES

A. GROUP STRUCTURE

The Consolidated Financial Statements of the Company pertain to Dhunseri Tea & Industries Limited (the Parent Company) and its subsidiaries, (the Group) the details of which is given below :

Name of the Companies	Category	Country of Incorporation	Proportion of Ownership Interest 31.03.2017
Dhunseri Petrochem and Tea Pte Limited (DPTPL)	Subsidiary	Singapore	100.00%
Makandi Tea and Coffee Estates Limited (MTCEL)@	Subsidiary	Malawi	100.00%
Kawalazi Estate Company Limited (KECL)@	Subsidiary	Malawi	100.00%
A M Henderson & Sons Limited (AMSL) #	Subsidiary	Malawi	100.00%
Elfin Heights Private Limited	Subsidiary	India	100.00%

@ Represents subsidiary of DPTPL

Represents subsidiary of MTCEL acquired during the year

The reporting date of DPTPL and each of its subsidiaries is 31st December, which is three months prior to the reporting date of these Consolidated Financial Statements. The financial statements of DPTPL have been consolidated as of the reporting date i.e. 31st December 2016 with significant transactions of next three months, if any.

B. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for certain tangible fixed assets which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rule 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules 2006, as amended] and other relevant provisions of the Companies Act, 2013 (the Act).

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III (Division I) to the Act.

(b) Tangible Assets

As per Revised Accounting Standard (AS) 10 on "Property, Plant and Equipment" effective from 01.04.2016, the Group has opted to adopt the Revaluation Model as prescribed therein for Land and Bearer Plants and the Cost Model for other class of assets.

Freehold and Leasehold Land are stated at revalued amounts. Bearer plants being tea bushes and macademia trees are stated at revalued amounts less accumulated depreciation. Revaluation of Land and Bearer Plants are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Other Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment loss if any. Cost comprises cost of acquisition/construction and subsequent improvement thereto including taxes and duties, freight and other incidental expenses relating to acquisition and installation.

(c) Depreciation

Depreciation for the Parent Company has been provided using the straight-line method at the rates determined based on the estimated useful lives of the tangible assets where applicable, specified in Schedule II to the Act and in keeping with other provisions of the said Schedule, which is the same as that evaluated by management, except for certain categories of Plant and Equipment wherein the estimated useful life has been determined to be 3 years.

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

Bearer Plants being tea bushes for the Parent Company are depreciated over its estimated useful life of 72 years from the date from which they can be commercially harvested.

In case of certain subsidiaries :

Tangible assets are depreciated on the straight line basis at rates estimated to reduce to anticipated residual values over expected useful lives as set out below:

Vehicles	2-10 years
Furniture and Fixtures	3 -10 years
Plant and Equipment	3-25 years
Buildings	10-25 years
Bearer Plants (Tea Bushes, Macademia Trees)	30-63 years

The estimate of residual value and useful life are reviewed every year.

(d) Intangible Assets : Goodwill on Consolidation

Goodwill represents the difference between the cost of acquisition and the Company's share in the net worth of a subsidiary at each stage of making the investment in the subsidiary. Goodwill on consolidation is not amortised. Assessment is done at each balance sheet date as to whether there is any indication that goodwill may be impaired. If any such indication exists, an estimate of the recoverable amount is made and goodwill whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use.

(e) Impairment

An impairment loss is recognised, where applicable, when the recoverable amount of an asset (i.e. higher of the assets net selling price and value in use) is less than its carrying amount.

(f) Investments

Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provision is recorded to recognise, any decline, other than temporary, in the carrying value of such investment. Investment acquired in exchange of another is carried at cost determined with reference to the fair value of investment given up.

Investment Property represent investment in land that are not intended to be occupied substantially for use by, or in the operations of, the Group. Investment properties are carried at cost.

(g) Inventories

Inventories are valued at the lower of cost, computed on a weighted average basis and estimated net realisable value. Provision is made for obsolescence wherever considered necessary. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(h) Employee Benefits

(i) Short term Employee Benefits :

The undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

(ii) Compensated Absences :

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensating absences as the additional amount expected to be paid as a result of the unused entitlement as at the year-end.

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(iii) Post Employment Benefits Plans :

Contributions under Defined Contributions Plans payable in keeping with the related schemes are recognised as expenses for the year.

For Defined Benefits Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

(iv) Other Long-Term Employee Benefits (unfunded) :

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

(i) Foreign Currency Transactions

Transactions in foreign currency are recorded at daily exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the year-end at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate on the date of transactions. Exchange differences arising on restatement or settlement are recognized in the Statement of Profit and Loss.

(j) Revenue Recognition

Sales are recognised upon transfer of substantial risk and rewards of ownership in the goods to the buyers as per the terms of the Contract and net of trade discounts, sales tax etc., where applicable.

Other items of the revenue are accounted for on accrual basis.

(k) Other Income

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive dividend is established.

Other items are accounted for on accrual basis.

(l) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets (i.e assets that necessarily take substantial period of time to get ready for their intended use or sale) are added to the cost of those assets. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

(m) Taxes on Income

Current tax in respect of taxable income for the year is recognised based on applicable tax rate and laws.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets in respect of carried forward losses and/or unabsorbed depreciation are recognised only when it is virtually certain and in other cases where there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation. Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is legally enforceable right to set off assets and liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(n) Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of lease.

(o) Government Grants

- (i) Government grants of the nature of promoters' contribution are credited to Capital Reserve.
- (ii) Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book values.
- (iii) Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with their related costs.

(p) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and 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.

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made.

(q) Cash & Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

(r) Earnings per share

Basic Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period.

For the purpose of calculating the diluted earnings per share the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes to Consolidated Financial Statements (*contd.*) for the year ended 31st March, 2017

(s) Use of Estimates

The preparation of financial statements requires use of estimates and assumptions to be made that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the period. Difference between actual amount and estimates are recognised in the period in which the results are known / materialized.

(t) Consolidation

The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after adjustments / elimination of inter-company balances, transactions including unrealised profits on inventories etc, if any.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respect and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

The translation of the functional currencies into Indian Rupees (reporting currency) of foreign subsidiaries (non integral foreign operations) is performed for assets and liabilities using closing exchange rates at the Balance Sheet date and for revenues, costs and expenses using average rates prevailing during the period. The resultant exchange difference arising out of such transactions is recognised as part of equity (Foreign Exchange Translation Reserve) by the Parent Company until the disposal of Investment.

The excess of cost to the Parent Company of its investment in the subsidiaries over the Parent's portion of equity of the subsidiaries at the dates they became subsidiaries and vice versa is recognised in the financial statements as Goodwill and Capital Reserve respectively.

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	As at 31.03.2017	As at 31.03.2016
Note 2 SHARE CAPITAL		
Authorised		
7,500,000 (Previous Year 7,500,000) Equity Shares of Rs. 10/- each	750.00	750.00
Issued, Subscribed and Fully Paid up		
7,004,951 (Previous Year 7,004,951) Equity Shares of Rs. 10/- each	700.50	700.50
Total	700.50	700.50

(a) Reconciliation of number of shares

	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	7,004,951	700.50	7,004,951	700.50
Balance as at the end of the year	7,004,951	700.50	7,004,951	700.50

(b) The Parent Company has one class of equity share having a par value of ₹ 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) List of shareholders holding more than 5% of Issued, Subscribed and Paid-up share

	No. of Shares	%	No. of Shares	%
Dhunseri Investments Limited	3,206,397	45.77%	3,122,856	44.58%
Naga Dhunseri Group Limited	615,751	8.79%	615,751	8.79%

(d) During the year 2014-15, 7,004,951 Equity Shares of ₹ 10/-each were issued by the Parent Company as fully paid up, pursuant to the Scheme of Arrangement without payment being received in cash.

Note 3 RESERVES AND SURPLUS

General Reserve #		
Balance as at the beginning of the year	14,753.22	13,753.22
Add: Transfer from Surplus in Statement of Profit and Loss	500.00	1,000.00
Balance as at the end of the year	15,253.22	14,753.22
# General Reserve is a free reserve not meant for meeting any specific liability, contingency or commitment.		
Revaluation Reserve		
Balance as at the beginning of the year	28,464.69	28,837.99
Add: Addition during the year (Refer Note 37)	60,422.01	-
Less: Written back during the year (Refer Note 37)	(28,464.69)	-
Less: Adjustment during the year [Refer Note 12(c)]	-	(373.30)
Balance as at the end of the year	60,422.01	28,464.69

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	As at 31.03.2017	As at 31.03.2016
Note 3 RESERVES AND SURPLUS (Contd.)		
Foreign Exchange Translation Reserve [Refer Note 1(B)(t)]		
Balance as at the beginning of the year	(6,061.60)	(4,080.28)
Add : Arisen during the year	(746.00)	(1,981.32)
Balance as at the end of the year	(6,807.60)	(6,061.60)
Capital Reserve on Consolidation [Refer Note 1(B)(t)]		
Balance as at the beginning of the year	-	-
Add : Arisen during the year	222.34	-
Balance as at the end of the year	222.34	-
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	2,664.74	1,808.34
Add : Profit for the year	2,721.77	2,530.88
Less : Appropriations		
Transfer to General Reserve	500.00	1,000.00
Proposed dividend on Equity Shares for the year	-	560.40
Dividend Distribution Tax	-	114.08
Balance as at the end of the year	4,886.51	2,664.74
Total	73,976.48	39,821.05

Note 4 LONG-TERM BORROWINGS

Secured		
Term Loans		
From banks	4,742.40	5,348.77
	4,742.40	5,348.77

Sl. No.	Nature of Security	Terms of Repayment
(a)	Term Loans (Auto Loans) from bank amounting to Rs. 17.48 lakhs (Previous Year Rs 33.17 lakhs) are secured by hypothecation of respective vehicles.	Equated Monthly Installments beginning from the month subsequent to taking of the Loans.
(b)	Term Loan from Banks amounting to Rs.5474.95 Lakhs (Previous Year Rs.6046.27 Lakhs) is to be secured by way of pari-passu charge on the tea estates of the Holding Company in India and negative pledge over the shares of subsidiary companies incorporated in Malawi.	Repayable in Half Yearly installments commencing from 31.12.2015.
(c)	Figures indicated in (a) and (b) above includes current maturities of respective borrowings which have been presented in Note 10.	

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	As at 31.03.2017	As at 31.03.2016
Note 5 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
Depreciation	1,650.44	1,670.51
Others	36.58	78.21
	1,687.02	1,748.72
Deferred Tax Assets		
Items allowable for tax purposes on payment	173.19	97.61
Tax losses #	-	219.64
	173.19	317.25
Net Deferred Tax Liabilities @	1,513.83	1,431.47

Expected to be realised against future taxable income

@ Deferred Tax Charge /(Credit) for the year excludes exchange loss of Rs.70.63 (Previous Year exchange loss of Rs 225.91 lakhs) on account of re-statement of year end deferred tax assets and liabilities.

Note 6 OTHER LONG TERM LIABILITIES

Security Deposits	50.00	50.00
Deferred Purchase Consideration [Refer Note 43]	353.07	-
Lease Equalisation Account	31.43	36.13
Total	434.50	86.13

Note 7 LONG TERM PROVISIONS

Provision for employee benefits		
Provision for Leave Encashment	40.07	49.78
Provision for pension and gratuity under defined contributory schemes	165.65	259.55
Total	205.72	309.33

Note 8 SHORT TERM BORROWINGS

Secured		
Loan Repayable on demand from Banks	3,763.90	3,071.89
	3,763.90	3,071.89
Unsecured		
Other Loans from Banks	2,225.72	1,367.95
	2,225.72	1,367.95
	5,989.62	4,439.84

Nature of Security

Loans repayable on demand from Banks amounting to Rs.1,353.34 Lakhs (Previous Year Rs.463.83 Lakhs) are secured by a first hypothecation charge on the current assets of the Holding Company, viz. stock 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 movables, both present and future, wherever situated. Secured by a first hypothecation charge on the movable fixed assets of the Parent Company and equitable mortgage over the immovable properties by deposit of title deeds of tea estates of the Parent Company.

Loans repayable on demand from Banks amounting to Rs.847.59 Lakhs (Previous Year Rs.1,154.33 Lakhs) are secured by a debenture of upto USD 3.0 Million over the Assets of Kawalazi Estate Company Limited with a requirement to create an additional debenture as and when required by Bank.

Loans repayable on demand from Banks amounting to Rs.1,563.05 Lakhs (Previous Year Rs.1,480.73 Lakhs) are secured over the movable and immovable assets of the Makandi Tea and Coffee Estate Limited.

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	As at 31.03.2017	As at 31.03.2016
Note 9 TRADE PAYABLES		
Total outstanding dues of Micro and Small Enterprises [Refer (a) below]	-	-
Total outstanding dues of creditors other than Micro and Small Enterprises	2,026.38	2,275.58
	2,026.38	2,275.58

(a) Based on the information available with the Holding Company there are no amounts payable under Micro, Small and Medium Enterprise Development Act, 2006.

Note 10 OTHER CURRENT LIABILITIES

Current Maturities of Long-term debts	737.28	730.67
Interest accrued but not due on borrowings	30.52	15.89
Unpaid Dividends	12.23	10.75
Temporary Bank Overdraft	153.38	-
Advance from Customers	264.35	28.83
Lease Equalisation Account	6.61	-
Employee Benefits	868.44	862.42
Liability for Capital Goods	68.96	29.33
Statutory Dues	181.89	203.90
Deferred Purchase Consideration	44.17	-
Others	362.87	334.78
	2,730.70	2,216.57

Note 11 SHORT TERM PROVISIONS

Provision for Employee Benefits		
Provision for Gratuity	229.68	322.11
Provision for Leave Encashment	80.10	37.03
Provision for Gratuity under contributory Scheme	171.06	8.31
	480.84	367.45
Others		
Provision for Income Tax	643.83	92.13
Provision for Proposed Dividend	-	560.40
Provision for Tax on Dividend	-	114.08
	643.83	766.61
	1,124.67	1,134.06

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(Rs. in lakhs)

Note 12 TANGIBLE ASSETS

Particulars	GROSS BLOCK							DEPRECIATION				NET BLOCK		
	As at 31.03.2016	Asset of Subsidiary Company Acquired during the year	Amount added on Revaluation	Amount written back on Revaluation [Refer Note 37 & Note 12(c)]	Addition	Disposal	Other Adjustment	As at 31.03.2017	Upto 31.03.2016	For the year	Disposal	Other Adjustment	As at 31.03.2017	
Freehold Land (Refer Note a(i) below)	1,958.68	1,033.56	4,114.79	(1,179.07)	-	-	(37.93)	5,890.03	-	-	-	-	-	5,890.03
Leasehold Land (Refer Note a(ii) & (c) below)	18,252.25	-	32,185.70	(18,252.35)	-	-	-	32,185.60	-	-	-	-	-	32,185.60
Bearer Plant	14,811.61	136.99	23,624.16	(9,033.27)	1,237.46	(480.70)	(480.70)	30,296.25	-	971.52	-	(22.46)	949.06	29,347.19
Buildings (Refer Note a(iii) & (b) below)	4,378.51	225.51	-	-	58.42	(108.81)	(108.81)	4,553.63	1,467.00	156.93	-	(20.53)	1,603.40	2,950.23
Plant and Equipment	8,394.80	12.82	-	-	775.88	(187.92)	(187.92)	8,995.58	4,815.60	399.80	-	(54.11)	5,161.29	3,834.29
Office Equipment	49.57	-	-	-	-	(2.55)	(2.55)	47.02	30.12	3.72	-	(2.14)	31.70	15.32
Furniture and Fixtures	606.61	-	-	-	18.81	(5.64)	(5.64)	619.78	322.29	55.10	-	(3.40)	373.99	245.79
Vehicles	1,014.81	4.68	-	-	191.65	(10.33)	(10.33)	1,150.42	684.55	94.02	(8.19)	(27.05)	743.33	407.09
Total	49,466.84	1,413.56	59,924.65	(28,464.69)	2,282.22	(10.33)	(873.94)	83,738.31	7,319.56	1,681.09	(8.19)	(129.69)	8,862.77	74,875.54

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(Rs. in lakhs)

Note 12 TANGIBLE ASSETS

Particulars	GROSS BLOCK						DEPRECIATION				NET BLOCK			
	As at 31.03.2015	Asset of Subsidiary Company Acquired during the year	Amount added on Revaluation	Amount written back on Revaluation	Additions	Disposal	Other Adjustment	As at 31.03.2016	Upto 31.03.2015	For the year	Disposal	Other Adjustment	As at 31.03.2016	As at 31.03.2016
Freehold Land	2,085.81	-	-	-	-	-	(127.13)	1,958.68	-	-	-	-	-	1,958.68
Leasehold Land and Estate Development	34,074.47	-	-	(373.30)	831.55	-	(1,468.86)	33,063.86	-	-	-	-	-	33,063.86
Buildings	4,691.40	-	-	-	51.09	-	(363.98)	4,378.51	1,297.29	231.48	-	(61.77)	1,467.00	2,911.51
Plant and Equipment	8,850.26	-	-	-	164.48	-	(619.94)	8,394.80	4,501.04	472.83	-	(158.27)	4,815.60	3,579.20
Furniture and Fixtures	612.76	-	-	-	11.43	-	(17.58)	606.61	286.65	46.24	-	(10.60)	322.29	284.32
Vehicles	1,091.00	-	-	-	99.83	(21.67)	(154.35)	1,014.81	641.99	131.85	(5.58)	(83.71)	684.55	330.26
Office Equipment	53.22	-	-	-	4.67	-	(8.32)	49.57	30.22	6.38	-	(6.48)	30.12	19.45
Total	51,458.92	-	-	(373.30)	1,163.05	(21.67)	(2,760.16)	49,466.84	6,757.19	888.78	(5.58)	(320.83)	7,319.56	42,147.28

a) All the 10 tea estates of Dhunseri Tea & Industries Limited (erstwhile Dhunseri Services Ltd.) the Parent Company have been transferred from Dhunseri Petrochem Ltd (formerly Dhunseri Petrochem & Tea Ltd), pursuant to a Scheme of Arrangement with effect from 1st April, 2014 and the grants/title deeds in respect thereof are yet to be transferred in the name of the Parent Company. On the date of such transfer the title deeds/NLR grants, were still held in the name of the original owners. The details of which are in note (i) to (ii) below:-

- i) Freehold Land represents two tea estate located at Assam, as on 31st March 2017, acquired through partnership with an HUF pursuant to a Scheme of Amalgamation.
- ii) Leasehold Land represents eight tea estates, located at Assam, which were acquired pursuant to a Scheme of Amalgamation.
- iii) Building, includes [Gross Block and Net Block amounting to Rs 214.40 lakhs (Previous Year Rs. 214.40 Lakhs) and Rs 170.81 lakhs (Previous Year Rs 174.19 Lakhs) respectively], two properties located at Kolkata for which, the conveyance deeds are yet to be executed and two properties (one located at Kolkata and one at Mumbai), which were acquired, pursuant to the Scheme of Arrangement referred to in Note (a) above, for which title deeds are yet to be transferred as at 31st March 2017.

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(Rs. in lakhs)

Note 12 TANGIBLE ASSETS (Contd.)

- (b) Gross Block and Accumulated Depreciation includes building on rented land amounting to Rs 521.80 lakhs (Previous Year Rs 521.80 lakhs) and Rs 65.33 lakhs (Previous Year Rs 57.10 lakhs) respectively.
- (c) The Assam Government had acquired 84.54 hectares of Land under the Assam Fixation of Ceiling on Land Holdings Act, 1956. Pending the receipt of Land in exchange/finalisation of compensation money from the authorities in respect of the above acquisition, the amount recognised in revaluation reserve in earlier year has been adjusted.
- (d) Replantation Subsidy and Capital Subsidy amounting to Rs 29.81 lakhs (Previous Year : Nil) and Rs 7.08 lakhs (Previous Year : Nil) respectively received during the year under Special Purpose Tea Fund Scheme and Plantation Development Scheme has been adjusted against the cost of respective assets.

Particulars	(Rs in lakhs)				
	As at 31.03.2016	Amount added on Revaluation (Refer Note 37)	Additions during the year	Capitalised during the year	As at 31.03.2017
Capital Work in Progress	-	497.36	496.87	(215.77)	778.46

Note 13 INTANGIBLE ASSETS

Particulars	GROSS BLOCK				AMORTISATION			NET BLOCK		
	As at 31.03.2016	Addition	Disposal	Other Adjustments	As at 31.03.2017	For the year	Disposal	Other Adjustment	As at 31.03.2017	As at 31.03.2016
Goodwill arising on consolidation	1,743.23	-	-	-	1,743.23	-	-	-	1,743.23	1,743.23
Total	1,743.23	-	-	-	1,743.23	-	-	-	1,743.23	1,743.23
Previous Year		1,743.23	-	-	-	-	-	-	-	1,743.23-

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Note 14 NON-CURRENT INVESTMENTS (valued at cost unless otherwise stated)

	Face Value ₹	No of shares		Book Value	
		As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
A. Trade Investments					
In Equity Instruments-Unquoted Fully Paid-up					
Dhunseri Overseas Private Limited	10	2,990,000	-	299.00	-
B. Other Investments					
(i) Investment Property					
Freehold Land (Refer Note 41)				773.73	773.39
(ii) Investment Property includes Rs 396.35 lakhs (Previous Year Rs 396.35 lakhs) being Freehold land which were acquired pursuant to the Scheme of Arrangement for which title deeds are not held in the name of the Parent Company.					
(iii) In Equity Shares - Quoted, Fully Paid up					
Divi's Laboratories Limited	2	2,101	29,949	23.78	316.38
Kotak Mahindra Bank Limited	5	36,125	33,522	247.40	227.36
PVR Limited	10	51,300	49,245	430.25	405.26
Schneider Electric Infrastructure Limited	2	100,000	99,990	172.85	172.84
Force Motors Limited	10	8,730	8,740	230.09	230.35
Capital First Limited	10	89,850	81,596	370.05	324.84
Take Solutions Limited	1	70,800	70,794	112.81	112.80
State Bank of India	1	18,200	-	45.29	-
Bank of Baroda	2	29,300	-	45.08	-
Suprajit Engineering Ltd	1	8,100	-	15.04	-
				1,692.64	1,789.83
(iv) In Equity Shares - Unquoted, Fully Paid up					
Mira Estates Private Limited	10	600,000	600,000	60.00	60.00
AU Financiers (India) Limited	10	142,860	-	250.01	-
				310.01	60.00
				3,075.38	2,623.22
Aggregate amount of Quoted Investments (Book Value)				1,692.64	1,789.83
Market value of Quoted Investments (Market Value)				2,513.34	1,733.77
Aggregate amount of Unquoted Investments (Book Value)				609.01	60.00
Aggregate amount of Investment Property				773.73	773.39

Note 15 LONG TERM LOANS AND ADVANCES

Unsecured, considered good		
Capital Advances	735.28	114.03
Deposit with National Bank for Agriculture and Rural Development	742.00	145.21
Prepaid Expenses	8.46	16.51
Loan to Staff	9.04	11.33
Security Deposits		
With Related Party	61.50	61.50
With Others	195.10	179.51
	1,751.38	528.09

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Note 16 CURRENT INVESTMENTS	Face Value ₹	No. of Units		Book Value	
		As at	As at	As at	As at
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
Current Investments-other than Trade (Unquoted) (Valued at cost or market value whichever is lower)					
Investments in Mutual Funds					
SBI Premier Liquid Fund - Regular Plan - Growth	10	6,342.92	-	160.00	-
HDFC Top 200 Fund - Growth	10	147	147	0.37	0.37
				160.37	0.37
Aggregate of Unquoted Investments (Book Value)				160.37	0.37

Note 17 INVENTORIES

(At lower of cost and net realisable value)

Finished goods [(includes in transit Rs 84.66 lakhs) (Previous Year Rs 93.06 lakhs)]	1,449.20	1,612.70
Stores and spares including packing materials [(includes in transit ₹ 29.39 lakhs) Previous Year Rs 13.73 lakhs]	2,249.48	2,168.04
	3,698.68	3,780.74

Note 18 TRADE RECEIVABLES

Unsecured, considered good

Outstanding for a period exceeding 6 months from the date they are due for payment - Considered Doubtful	5.05	5.10
Other debts - Considered Good	5,419.82	4,674.58
Less : Provision for Doubtful Debt	(5.05)	-
	5,419.82	4,679.68

Note 19 CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances with Banks		
Current Accounts	180.23	275.09
Cash Credit Accounts	24.64	71.29
Unpaid Dividend Accounts [Refer (a) below]	12.23	10.75
Cash on hand	28.09	23.27
	245.19	380.40
Other Bank Balances		
Fixed Deposits (with maturity greater than 3 months but less than 12 months)	0.85	0.88
	0.85	0.88
	246.04	381.28

(a) Earmarked for payment of Dividend

Note 20 SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good

Deposits with Government Authorities	3.94	3.94
Deposit with National Bank for Agriculture and Rural Development	525.21	600.00
Others :		
Loans to Staff	28.41	34.26
Loans to Others*	-	95.00
Advance to Suppliers/Service Providers	450.02	459.88
Advance against purchase of Shares	158.70	-
Prepaid Expenses	220.99	496.73
Advance Income Tax	267.71	124.74
	1,654.98	1,814.55

*Previous Year Loan given for business purpose and carries an interest rate of 8.50%

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	As at 31.03.2017	As at 31.03.2016
Note 21 OTHER CURRENT ASSETS		
Unsecured, considered good		
Interest accrued on Deposits	40.84	33.22
Receivables against sale of assets	0.08	31.64
	40.92	64.86
Note 22 CONTINGENT LIABILITIES		
(a) Claims against the Company not acknowledged as debts		
(i) Income Tax-matter under dispute	24.09	77.77
(ii) Cases which are pending in the courts of Malawi	61.34	30.19
(b) Bank Guarantee given for employees	27.43	26.28
(c) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.		
(d) The Group does not expect any reimbursements in respect of the above contingent liabilities.		
Note 23 (A) CAPITAL AND OTHER COMMITMENTS		
Estimated value of contracts in capital account remaining to be executed	166.26	-
Note 23 (B) PROPOSED DIVIDEND		
The final dividend proposed for the year is as follows:		
On Equity Shares of Rs 10 each		
(i) Amount of dividend proposed for the year	560.40	560.40
(ii) Dividend per Equity Share (Rs)	8.00	8.00
(iii) Related Tax Impact (Rs)	114.08	114.08
The Board of Directors in its meeting on May 22, 2017 has proposed a final dividend of Rs 8/- per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of the shareholders at the Annual General Meeting and if approved would result in a cash outflow of Rs 674.48 Lakhs.		
	Year ended 31.03.2017	Year ended 31.03.2016
Note 24 REVENUE FROM OPERATIONS		
Sale of Products		
Tea	21,135.14	17,912.91
Packet Tea	6,507.29	6,447.40
Macadamia Nuts	2,515.88	2,900.08
Atta	24.01	47.54
Other Operating Revenues		
Tea Subsidy- Orthodox	0.97	12.02
Tea Subsidy- Replantation	-	32.69
Other Operating Revenues	-	2.92
	30,183.29	27,355.56
Note 25 OTHER INCOME		
Interest Income	66.29	41.84
Profit on Sale of Current Investments	22.57	221.35
Liabilities no longer required written back	1.36	4.61
Rent Received	1.20	1.20
Dividend Received	4.14	3.43
Profit on Sale of Fixed Assets	3.11	2.26
Insurance Claim	56.45	120.56
Consultation Fee	552.05	833.98
Miscellaneous Income	91.27	55.75
	798.44	1,284.98

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 26 COST OF MATERIALS CONSUMED		
Raw Materials		
Green Leaf (All indigeneous-purchased and consumed)	3,510.50	3,499.62
Wheat (All indigeneous-purchased and consumed)	2.50	56.04
	3,513.00	3,555.66
Note 27 CHANGES IN INVENTORIES OF FINISHED GOODS		
(Increase)/Decrease in Stock		
Stock at the end of year		
Finished Goods - Tea	1,449.20	1,612.70
	1,449.20	1,612.70
Stock at the beginning of the year		
Finished Goods	1,612.70	1,179.68
	1,612.70	1,179.68
Net (Increase)/Decrease in Stock	163.50	(433.02)
Note 28 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	6,092.49	5,515.36
Contribution to provident and other funds	897.67	999.39
Staff welfare expenses	562.88	447.40
	7,553.04	6,962.15
Note 29 FINANCE COSTS		
Interest expense	570.50	641.47
Other borrowing costs	212.81	183.74
Applicable net loss on foreign currency transactions and translation	37.39	47.82
	820.70	873.03
Note 30 OTHER EXPENSES		
Consumption of stores and spare parts including Packing Material	4,040.89	4,128.27
Power & Fuel	2,859.86	3,536.00
Rent	236.16	164.82
Repairs and Maintenance		
Plant & Machinery	438.26	490.16
Buildings	111.29	108.29
Others	442.50	428.80
Insurance	154.00	156.58
Rates and Taxes	118.94	80.54
Freight, delivery and shipping charges	977.05	1,159.81
Brokerage and commission on sales	231.37	250.66
Other Selling Expenses	619.27	472.46
Net loss on foreign currency transactions/translations	66.85	159.37
Inventory of Raw Materials written off	3.83	35.93
Cess on Tea	213.78	190.34
Advertisements	316.08	164.30
Travelling and Conveyance	275.57	225.33
Provision for doubtful debt	5.05	-
Expenditure towards Corporate Social Responsibility activities	43.00	33.00
Miscellaneous Expenses	2,303.19	1,808.12
	13,456.94	13,592.78

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

Note 31 EMPLOYEE BENEFIT OBLIGATIONS

I. Gratuity (Funded)

The Parent Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Fund make payment to vested employees at retirement, death/disability, withdrawal of an amount based on the respective employee's eligible salary for specified number of days depending upon the tenure of service subject to a maximum limit of Rs 10 lakhs. Vesting occurs upon completion of five years of service. Liability with regard to the aforesaid gratuity plan is determined by actuarial valuation as set out in Note 1 B (h)(iii) above, based upon which the Parent Company makes annual contributions for Gratuity to the Trust Fund.

(All amounts in ₹ lakhs unless otherwise indicated)

	31st March 2017 Funded	31st March, 2016 Funded
(a) Change in Defined Benefit Obligation during the year ended 31st March, 2017		
Present value of Defined Benefit Obligation as at 1st April, 2016.	1,757.29	1,450.24
Current Service Cost	101.43	122.35
Interest Cost	132.72	112.03
Benefits Paid	(111.37)	(99.78)
Actuarial (gain)/loss on Obligation	138.30	172.45
Present value of Defined Benefit Obligation as at 31st March, 2017	2,018.37	1,757.29
(b) Change in Fair Value of Assets during the year ended 31st March, 2017		
Fair Value of Plan Assets as at 1st April, 2016	1,435.18	1,246.65
Expected Return on Plan Assets	123.24	116.87
Contributions Made	322.11	203.59
Benefits Paid	(111.37)	(99.78)
Actuarial gain / (loss) on Plan Assets	19.53	(32.15)
Fair value of Plan Assets as at as at 31st March, 2017	1,788.69	1,435.18
(c) Net (Asset)/Liability recognised in the Balance Sheet as at 31st March, 2017		
Present Value of the Defined Benefit Obligation	2,018.37	1,757.29
Fair value of Plan assets	1,788.69	1,435.18
Net (Asset)/Liability recognised in the Balance Sheet	229.68	322.11
(d) Expense recognised in the Statement of Profit and Loss for the year ended 31st March, 2017		
Current Service Cost	101.43	122.35
Interest Cost	132.72	112.03
Expected return on plan assets	(123.24)	(116.87)
Net actuarial (gain)/loss recognised during the year on defined benefit obligations	118.77	204.60
Total Expense/(Income) in the Statement of Profit and Loss (in Note 28 - Employee benefits expense under the head "Contribution to Provident and Other Funds")	229.68	322.11
(e) Major Categories of Plan Assets as a percentage of total plans as at 31st March, 2017		
Investment with Private Insurance Companies	26.67%	29.24%
Administered by Life Insurance Corporation of India	69.58%	65.28%
Investment in Mutual Fund	0.59%	0.65%
Special Deposits and Bonds	2.65%	3.32%
Others including Bank Balances	0.52%	1.51%

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

Note 31 EMPLOYEE BENEFIT OBLIGATIONS (contd.)

(All amounts in ₹ lakhs unless otherwise indicated)

	31st March 2017 Funded	31st March, 2016 Funded	31st March, 2016 Funded
(f) Experience adjustments			
Defined Benefit Obligation	2,018.37	1,757.29	1,450.24
Fair value of Plan Assets	1,788.69	1,435.18	1,246.65
Status Surplus/(Deficit)	(229.68)	(322.11)	(203.59)
Experience adjustments on Plan Liabilities Gain/(Loss)	(30.18)	84.58	26.71
Experience adjustments on Plan Assets Gain/(Loss)	19.53	(32.15)	29.80
(g) Actuarial Assumptions		Year ended 31.03.2017	Year ended 31.03.2016
Mortality Table		Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate
Discount rate 7.10%		7.10%	7.80%
Salary Escalation rate		6.00%	6.00%
Expected Return on Plan Assets		8.00%	8.00%
(h) Actual Return on Plan Assets		142.77 lakhs	78.27 lakhs

- (i) The estimate of future salary increase considered in 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 plan assets held, assessed risk, historical results on plan assets, the Group's policy for plan asset management and other relevant factors.
- (j) The net liability recognised in the Balance Sheet is expected to be paid in full within the next year.
- (k) The Parent Company provides for Superannuation benefit to certain employees wherein 15% of basic salary is funded with Life Insurance Corporation of India. Contribution during the year to such Fund amounts to Rs. 7.54 lakhs (Previous Year Rs. 7.30 lakhs) and has been recognised as an expense and included in Note 28- Employee benefits expenses under the head "Contribution to provident and other funds" in the Statement of Profit and Loss.
- (l) The Subsidiaries Company incorporated in Malawi contributes to a pension fund administered by a third party. The Scheme is a defined contribution pension plan and is funded through payments to a trustee-administered fund. A defined Contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.
Contribution during the year to such Funds amount to Rs. 12.08 lakhs (Previous Year Rs. 13.91 lakhs) and has been recognised as an expense and included in Note 28 - Employee benefits expenses under the head "Contribution to provident and other funds" in the Statement of Profit and Loss.
- (m) The Subsidiaries Company incorporated in Malawi pays gratuity to employees at the end of the contracts which is a maximum of a period of five years. A liability is recognised for the amount expected to be paid at the end of each year that an employee has been in employment of the Company. Contribution during the year to such Funds amount to Rs. 137.94 lakhs (Previous Year Rs 228.45 lakhs) and has been recognised as an expense and included in Note 28- Employee benefits expenses under the head "Contribution to provident and other funds" in the Statement of Profit and Loss.
- (n) The Parent Company contributes 12% of the basic salary of Head Office employees towards Pension/Provident Fund Scheme to the Regional Provident Fund Commissioner West Bengal and 12% of the basic salary of garden staff/workers to Assam Tea Plantation Provident Fund account. Contribution during the year to such Funds amount to Rs. 510.42 lakhs (Previous Year Rs 425.95 lakhs) and has been recognised as an expense and included in Note 28 - Employee benefits expenses under the head "Contribution to provident and other funds" in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 32 EARNINGS PER EQUITY SHARE		
1. Basic		
(a) Earnings attributable to equity shareholders (Rs. In lakhs)	2,721.77	2,530.88
(b) Weighted Average number of Ordinary Shares outstanding during the year	7,004,951	7,004,951
(c) Earning per share		
- Basic (a/b) (in Rs.)	38.85	36.13
2. Diluted		
(a) Dilutive potential Equity Shares	-	-
(b) Diluted Earnings per share [same as in 1 (c) above] (in Rs.)	38.85	36.13

Note 33 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18

Names of related parties and description of relationship :

(A) Group Companies (i.e. Companies in which Key Management Personnel is able to exercise significant influence) :

- (1) Naga Dhunseri Group Limited
- (2) Trimplex Investments Limited
- (3) Mint Investments Limited
- (4) Dhunseri Investments Limited
- (5) Dhunseri Petrochem Limited
- (6) Dhunseri Overseas Private Limited

(B) Key Management Personnel

- (7) Mr. C.K.Dhanuka

(C) Relative of Key Management Personnel

- (8) Mr. Mrigank Dhanuka

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
Nature of Transactions/Balances		
A. Group Companies		
Dhunseri Petrochem Limited		
Reimbursement of Expenses	2.39	-
Trimplex Investments Limited		
Rent and Service Charges	76.64	76.57
Receivable/(Payable)	61.50	61.50
Naga Dhunseri Group Limited		
Rent Paid	29.76	29.77
Mint Investments Limited		
Rent and Service Charges	30.23	29.97
Dhunseri Investments Limited		
Rent Paid	28.77	28.53
Dhunseri Overseas Private Limited		
Investment in Shares	299.00	-

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
Note 33 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18 (contd.)		
B. Key Management Personnel		
Mr. C.K. Dhanuka		
Remuneration	52.77	98.98
Commission payable	(25.00)	(65.00)
Rent Received	0.60	0.60
Receivable/(Payable)	(25.00)	(25.00)
C. Relative of Key Management Personnel		
Mr. M. Dhanuka		
Rent Received	0.60	0.60
Receivable/(Payable)	(25.00)	(25.00)
Director Fees	0.30	0.20
Note 34 Research and Development Expenditure charged to revenue	16.67	11.92

Note 35 LEASE OBLIGATION

Operating Lease

The Company has taken various office premises, factory premises and residential accommodation for employees under operating cancellable lease arrangements having tenures ranging between 5 and 9 years. There is no specific obligation for renewal of these agreements. Lease rent for the period amounts to Rs. 124.27 lakhs (Previous Year Rs.123.20 lakhs) debited to the Statement of Profit and Loss.

Note 36 CHANGE IN ACCOUNTING POLICY

As per Paragraph 32 of revised Accounting Standard (AS) 10 "Property, Plant and Equipment" effective from 01.04.2016, the Group has opted to adopt the Revaluation Model as prescribed therein for Land and Bearer Plants and the Cost Model for other class of assets. Accordingly Revaluation Reserves recognised in the previous years has been written back by Rs 19,431.42 lakhs and Rs 9,033.27 lakhs on account of land and bearer plants respectively and a fresh revaluation carried out as on 1.4.2016. wherein Rs 36,300.49 lakhs and Rs 24,121.52 lakhs has been added as revaluation reserve on account of Land and Bearer Plants (including Capital work-in-progress) respectively. Also as per the requirement of Revised Accounting Standard depreciation amounting to Rs 971.52 lakhs for the year ended 31st March 2017 on bearer plants has been provided.

Replantation expenditure amounting to Rs. 246.70 lakhs for the year ended 31st March 2017 which was hitherto charged to the Statement of Profit and Loss has been debited to Capital Work In Progress during the year ended 31st March 2017.

Consequent to above replantation subsidy amounting to Rs 29.81 lakhs for the year ended 31st March 2017 which was hitherto credited to the Statement of Profit & Loss, has also been reduced from the carrying amount of the bearer plants.

As a result, profit for the year ended 31st March 2017 is lower by Rs 754.63 lakhs.

Note 37 REVALUATION

Freehold Land, Leasehold Land & Bearer Plants located at the ten tea estates of the Parent Company have been revalued on April 1, 2016 by Ernst & Young LLP, independent valuer on the bases as set out below :

Freehold Land and Leasehold Land- Market Method whereby the market rates are based on the available circle rates of the region close to the tea estates of the Company after applying a discount rate for the large size of land, limited buyers, low frequency of transactions and restricted use.

Bearer Plant - Depreciated Replacement Cost Method whereby the replacement cost was calculated based on the Tea Board of India's published rate of Unit Cost per hectare for replantation.

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

The resultant increase in Net Book Value of Rs. 34,989.41 lakhs and Rs. 9,676.59 lakhs for Land and Bearer Plant respectively, has been credited to the Revaluation Reserve included under Reserves and Surplus (Note 3).

Freehold Land & Bearer Plants at the subsidiary Companies in Malawi have been revalued as at 1st January 2016 on the Basis as set out below: Bearer Plant- Valuation determined on the basis of present value of expected net cash flows from the Bearer Plants discounted at a current market determined pre tax rate adjusted for long term view. For the purpose of discounted cash flow analysis, the lives of tea bushes are estimated at 50 years and those of macademia trees at 30 years. A discount factor of 12.50% has been used which consider time value for money and estimated country risk.

Freehold Land -Valued at Open Market Value basis by an external Valuer.

The resultant increase in Net Book Value of Rs.1,311.07 lakhs and Rs.14,444.94 lakhs for Land and Bearer Plant respectively, has been credited to the Revaluation Reserve included under Reserves and Surplus (Note 3).

Note 38

Additional information pursuant to the requirement of Schedule III to the Act relating to enterprises considered in Consolidated Financial Statement as set out below :

	(Rs in Lakhs)							
	31st March 2017		Year ended 31st March, 2017		31st March 2016		Year ended 31st March, 2016	
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	
Parent								
Dhunseri Tea & Industries Limited	74.06	55,304.02	36.22	985.73	94.87	38,443.48	86.28	2,183.56
Elfin Heights Private Limited	0.49	364.37	(0.28)	(7.60)	-	-	-	-
Subsidiaries								
Foreign								
Dhunseri Petrochem & Tea Pte.Ltd	(5.14)	(3,835.93)	10.80	294.17	(9.14)	(3,702.23)	25.16	636.80
Makandi Tea and Coffee Estates Limited & its Subsidiaries	16.46	12,295.14	30.34	825.71	6.38	2,585.97	(10.08)	(255.05)
Kawalazi Estate Company Limited	14.13	10,549.38	22.92	623.76	7.89	3,194.33	(1.36)	(34.43)
TOTAL	100.00	74,676.98	100.00	2,721.77	100.00	@40,521.55	100.00	@2,530.88

@ The above figures are after adjustment of Inter Company balances and transaction.

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

Note 39 SEGMENT REPORTING

The Group is primarily engaged in business of cultivation, manufacture and sale of tea across various geographical locations with different political and economic environment, risks and return etc. and accordingly Geographical segments has been considered by the Group as primary reporting format.
Primary Reporting Segment-Geographical Segment

Particulars	2016-17				2015-16					
	India	Malawi	Segment Total	Unallocated	Total Enterprise	India	Malawi	Segment Total	Unallocated	Total Enterprise
Segment Revenue-Sales to External Customers	18,772.07	11,410.25	30,182.32	-	30,182.32	18,261.39	9,046.54	27,307.93	-	27,307.93
Less: Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Segment Operating Revenue	18,772.07	11,410.25	30,182.32	-	30,182.32	18,261.39	9,046.54	27,307.93	-	27,307.93
Segment Revenue	0.97	-	0.97	-	0.97	47.63	-	47.63	-	47.63
Segment Revenue-Total	18,773.04	11,410.25	30,183.29	-	30,183.29	18,309.02	9,046.54	27,355.56	-	27,355.56
Segment Result	1,714.62	2,923.68	4,638.30	(1,916.53)	2,721.77	2,759.78	1,051.21	3,810.99	(1,280.11)	2,530.88
Total carrying amount of Segment Assets	59,385.26	30,110.47	89,495.73	3,949.07	93,444.80	41,534.70	12,970.79	54,505.49	3,257.81	57,763.30
Total amount of Segment Liabilities	2,796.34	2,525.19	5,321.53	13,446.28	18,767.82	2,916.40	1,606.33	4,522.73	12,719.02	17,241.75
Total cost incurred during the year to acquire segment assets	1,417.53	1,413.56	2,831.09	-	2,831.09	242.50	924.80	1,167.30	-	1,167.30
Total amount of depreciation	723.58	957.51	1,681.09	-	1,681.09	538.56	350.22	888.78	-	888.78
Total amount of significant non-cash expenses	-	3.83	3.83	-	3.83	-	35.93	35.93	-	35.93

The Group does not have any Secondary Segment.

Notes to Consolidated Financial Statements (contd.) for the year ended 31st March, 2017

Note 40

Pending completion of relevant formalities, certain assets and liabilities acquired by the Parent Company pursuant to the Scheme of Arrangement as referred to in Note 36, remain included in the books of the Company under the name of the Transferor Company.

Note 41

Out of a total of 12.92 hectares (Previous Year 12.92 hectares) Freehold land under Investment Property as mentioned in Note 13 on Non-Current Investments, 6.25 hectares (Previous Year 6.25 hectares) of land which was earlier declared as Private Forest land under the provisions of the Maharashtra Private Forest (Acquisition) Act 1975, has been mutated in the name of Dhunseri Petrochem & Tea Ltd (being the transferor company in the Scheme of Arrangement executed in the FY 2014-15) during the year. Pending completion of relevant formalities the same is yet to be transferred in the name of the Company.

Note 42

Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8th November 2016 to 30th December 2016

Particulars	(Rs in lakhs)		
	SBNs*	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.16	17.11	7.32	24.43
(+) Permitted Receipts	-	509.63	509.63
(-) Permitted Payments	0.82	439.89	440.71
(-) Amount deposited in Banks	16.29	3.00	19.29
Closing cash in hand as on 30.12.16	-	74.06	74.06

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

Note 43

On 31st August 2016, Makandi Tea & Coffee Estates Limited acquired 100% of the issued Share Capital of A M Hendersons & Sons Limited. The difference between the net assets acquired and the purchase consideration (purchase consideration being lower) has been credited to capital Reserve amounting to Rs.222.34 lakhs.

Out of total purchase consideration of Rs. 1,163.64, an amount of Rs.397.24 lakhs is payable over a period of 9 years from 31.03.2017

Note 44

Miscellaneous expenses (Refer Note 30) include a donation of Rs 25 lakh (Previous Year Rs Nil) for a political purpose to All India Trinamool Congress and Rs Nil (Previous Year Rs 20 lakhs) to Assam Pradesh Congress Committee.

Note 45

Previous period's figures have been regrouped and rearranged wherever necessary.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

For and on behalf of the Board

Avijit Mukerji
Partner
Membership No. 056155

Basudeo Beriwala
Director

C. K. Dhanuka
Managing Director

Place : Kolkata
Date : May 22, 2017

R. Mahadevan
Company Secretary

Bhavana Khemka
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March, 2017

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,793.46	3,201.16
Adjustments for :		
Interest Income	(66.29)	(41.84)
Profit on sale of Current Investments	(22.57)	(221.35)
Finance Cost	820.70	873.03
Depreciation	1,681.09	888.78
Liabilities no longer required written back	(1.36)	(4.61)
Provision for Doubtful debts	5.05	-
Unrealized Foreign Exchange Loss	(1.77)	282.07
Dividend Received	(4.14)	(3.43)
(Profit)/ Loss on Sale of Assets	(3.11)	(2.26)
Inventory written off	3.83	35.93
Operating Profit before Working Capital Changes	6,204.89	5,007.48
Adjustments for :		
Trade and other receivables	(936.15)	(2,065.60)
Inventories	78.24	(485.13)
Trade payables and other liabilities	11.44	971.50
Cash generated from operations	5,358.42	3,428.25
Direct Taxes Paid	(551.06)	(603.53)
Net Cash from Operating Activities	4,807.36	2,824.72
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible Assets	(3,144.93)	(1,270.40)
Disposal of Tangible Assets	5.25	18.35
Acquisition of subsidiaries	(766.40)	-
Receipt of maturity proceeds of Fixed Deposit with bank	-	4.75
Investment in Fixed Deposit	-	(0.88)
Purchase of Non-Current Investments	(1,204.20)	(1,849.84)
Sale of Non-Current Investments	613.81	-
Purchase of Current Investments	(263.00)	-
Sale of Current Investments	105.45	1,849.77
Purchase of Investment Property	(0.34)	(36.69)
Interest received	58.67	29.37
Loan to a party	-	(95.00)
Realisation of Loan from a party	95.00	12.00
Receipt of Dividend	4.14	3.43
Net Cash used in Investing Activities	(4,496.55)	(1,335.14)

Consolidated Cash Flow Statement for the year ended 31st March, 2017 (contd.)

(All amounts in ₹ lakhs unless otherwise indicated)

	Year ended 31.03.2017	Year ended 31.03.2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowing	-	223.29
Repayment of Long term Borrowings	(730.66)	(425.21)
Proceeds from Short Term Borrowing	4,413.58	4,010.12
Repayment of Short term borrowings	(2,652.78)	(4,887.88)
Dividend Paid	(673.00)	(630.64)
Interest Paid	(806.07)	(967.69)
Net Cash used in Financing Activities	(448.93)	(2,678.01)
D. Exchange Difference on Translation of Foreign Currency Cash and Cash Equivalents	2.91	8.34
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)	(135.21)	(1,180.09)
Cash and Cash Equivalents (Opening balance)	380.40	1,560.49
Cash and Cash Equivalents (Closing balance) [Refer Note 19]	245.19	380.40

1. 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.
2. The Notes referred to above form an integral part of the Consolidated Cash Flow Statement.
3. Previous period's figures have been regrouped and rearranged wherever necessary.

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

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

For and on behalf of the Board

Avijit Mukerji
Partner
Membership No. 056155

Basudeo Beriwal
Director

C. K. Dhanuka
Managing Director

Place : Kolkata
Date : May 22, 2017

R. Mahadevan
Company Secretary

Bhavana Khemka
Chief Financial Officer

FORM AOC-1

Statement containing salient features of the financial statement of subsidiaries

[Pursuant to first proviso to sub-section(3) of Section 129 Read with the Rule 5 of the Companies (Accounts) Rules, 2014]

(Amount in lakhs)

Name of the Subsidiary Company	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding	Country
1 DHUNSERI PETROCHEM & TEA PTE.LTD	31.12.2016	USD	1.0000	115.28	23.44	226.48	226.48	220		4.73	0.40	4.33	-	100	Singapore
		INR	67.9547	6,442.95	1,592.92	15,390.31	15,390.31	14,950.03	-	321.51	27.34	294.17	-	100	
2 MAKANDI TEA AND COFFEE ESTATES LTD	31.12.2016	MALAWI	725.430	138.62	116,656.54	155,105.92	155,105.92	10,644.31	68,567.05	13,297.39	4,612.31	8,685.08	-	100	Malawi
		KWACHA													
3 KAWALAZI ESTATE COMPANY LIMITED	31.12.2016	USD	1.0000	0.52	160.48	213.81	213.81	14.67	98.53	18.77	6.63	12.14	-	100	
		INR	67.9547	35.21	10,905.49	14,529.56	14,529.56	997.11	6,622.79	1,276.71	450.71	826.00	-	100	
4 ELFIN HEIGHTS PRIVATE LIMITED	31.03.2017	MALAWI	725.430	339.84	111,268.95	133,808.34	133,808.34	-	54,496.89	8,923.15	2,330.56	6,592.59	-	100	Malawi
		KWACHA													
5 A M HENDERSON & SONS LIMITED	31.12.2016	USD	1.0000	1.27	152.19	184.45	184.45	-	78.31	12.52	3.35	9.17	-	100	
		INR	67.9547	86.32	10,342.30	12,534.50	12,534.50	-	5,263.77	851.50	227.74	623.76	-	100	
4 ELFIN HEIGHTS PRIVATE LIMITED	31.03.2017	INR	-	381.00	(16.62)	364.58	364.58	-	-	(14.68)	-	(14.68)	-	100	India
5 A M HENDERSON & SONS LIMITED	31.12.2016	MALAWI	725.430	2.14	13,151.06	13,606.91	13,606.91	-	-	(3.09)	-	(3.09)	-	100	Malawi
		KWACHA													
5 A M HENDERSON & SONS LIMITED	31.12.2016	USD	1.0000	0.003	18.13	18.76	18.76	-	-	(0.004)	-	(0.00)	-	100	
		INR	67.9547	0.20	1,231.93	1,274.63	1,274.63	-	-	(0.29)	-	(0.29)	-	100	

CORPORATE INFORMATION

Board of Directors

C. K. Dhanuka
Chairman & Managing Director
M. Dhanuka
R. K. Sharma
B. D. Beriwal
B. Bajoria
N. Khaitan
A. K. Lohia

Chief Executive Officer

P. C. Dhandhanian

Chief Financial Officer

Bhavana Khemka

Company Secretary & Compliance Officer

R. Mahadevan

Statutory Auditor

Lovelock & Lewes
Chartered Accountants

Bankers

State Bank of India
Bank of Baroda
Punjab National Bank
United Bank of India
Development Credit Bank
ICICI Bank
HDFC Bank
Indusind Bank

Registered Office

“Dhunseri House”,
4A, Woodburn Park, Kolkata-700020
Phone: 2280-1950 (5 Lines)
Fax: 91-33-2287 8350/9274
E-mail: mail@dhunseritea.com
Website: www.dhunseritea.com
CIN: L15500WB1997PLC085661

Tea Estates

Bahadur Tea Estate
P.O. Tinsukia, Assam, Pin: 786125
Bahipookri Tea Estate
P.O. Mazbat, Assam, Pin: 784507
Bettybari Tea Estate
P.O. Mazbat, Assam, Pin: 784507
Dhunseri Tea Estate
P.O. Mazbat, Assam, Pin: 784507
Dilli Tea Estate
P.O. Parbatpur, Assam, Pin: 786623
Hatijan Tea Estate
P.O. Hoogrijan, Assam, Pin: 786601
Khagorijan Tea Estate
P.O. Sepekhati, Assam, Pin: 786592
Khetojan Tea Estate
P.O. Tinsukia, Assam, Pin: 786125
Orang Tea Estate
P.O. Mazbat, Assam, Pin: 784507
Santi Tea Estate
P.O. Hoogrijan, Assam, Pin: 786601

Tea Packaging Factory

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

Subsidiary Companies

Dhunseri Petrochem & Tea Pte Ltd.
80, Raffles Road, UOB Plaza 1
#26-01, Singapore 048624

Makandi Tea and Coffee Estates Ltd.
Thunga Office, Twelve Mile Turnoff
Thyolo District, Malawi

Kawalazi Estate Company Ltd.
Kawalazi Estate, Nkhatabay, Malawi

AM Henderson & Sons Ltd.
Chiwale Estate, Sharpe Road
Thunga, Thyolo
P.O. Box 5247
Limbe

Elfin Heights Pvt. Ltd.
“Dhunseri House”,
4A, Woodburn Park, Kolkata-700020

Registrars and Share Transfer Agents

Maheshwari Datamatics Pvt. Limited
23, R N Mukherjee Road, 5th Floor
Kolkata-700001
Phone: 2243-5029, 2248-2248
Fax: 91-33-2248 4787
Email: mdpl@cal.vsnl.net.in
CIN: U20221WB1982PTC034886