

**Dhunseri®****Dhunseri Tea & Industries Limited**

(Formerly : DHUNSERI SERVICES LIMITED) CIN : L15500WB1997PLC085661

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

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Mumbai-400051

Fax No. : 022-26598237/38

Symbol : DTIL

Dear Sirs,

Sub: Annual Reports & Accounts for the year 2015-16.

Under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached soft copy of the Annual Reports & Accounts of the Company for the year ended 31st March,2016, which was adopted by the Company at the 19th Annual General Meeting held on 11th August, 2016.

Thanking you,

Yours faithfully
For DHUNSERI TEA & INDUSTRIES LTD.

(R. MAHADEVAN)
Company Secretary

Encl: as above.

A close-up photograph of a tea plant branch with several bright green, pointed leaves. The leaves are in sharp focus, showing their veins, while the background is a soft, out-of-focus green. The lighting is bright, creating a fresh and vibrant feel.

A GROWING TEA COMPANY

DHUNSERI TEA & INDUSTRIES LIMITED
ANNUAL REPORT 2015-16

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. For further comprehension of risk factors and how they might affect the results, please refer to the section titled 'Risk Factors'. 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.

“Be a yardstick of quality.
Some people aren't
used to an environment
where excellence is
expected.”

Steve Jobs

Contents

04 Corporate information **06** Chairman's message **08** Operational review
10 Financial highlights **11** Our performance ambition **14** Our robust business
model **18** Segment review **20** Management discussion and analysis **23** Risk
management **26** Directors' report **45** Secretarial audit report **47** Corporate
Governance report **58** Standalone auditors' report and financial statement
86 Consolidated auditors' report and financial statement



A GROWING TEA COMPANY

A few years ago, we had a choice of what kind of tea company we needed to become.

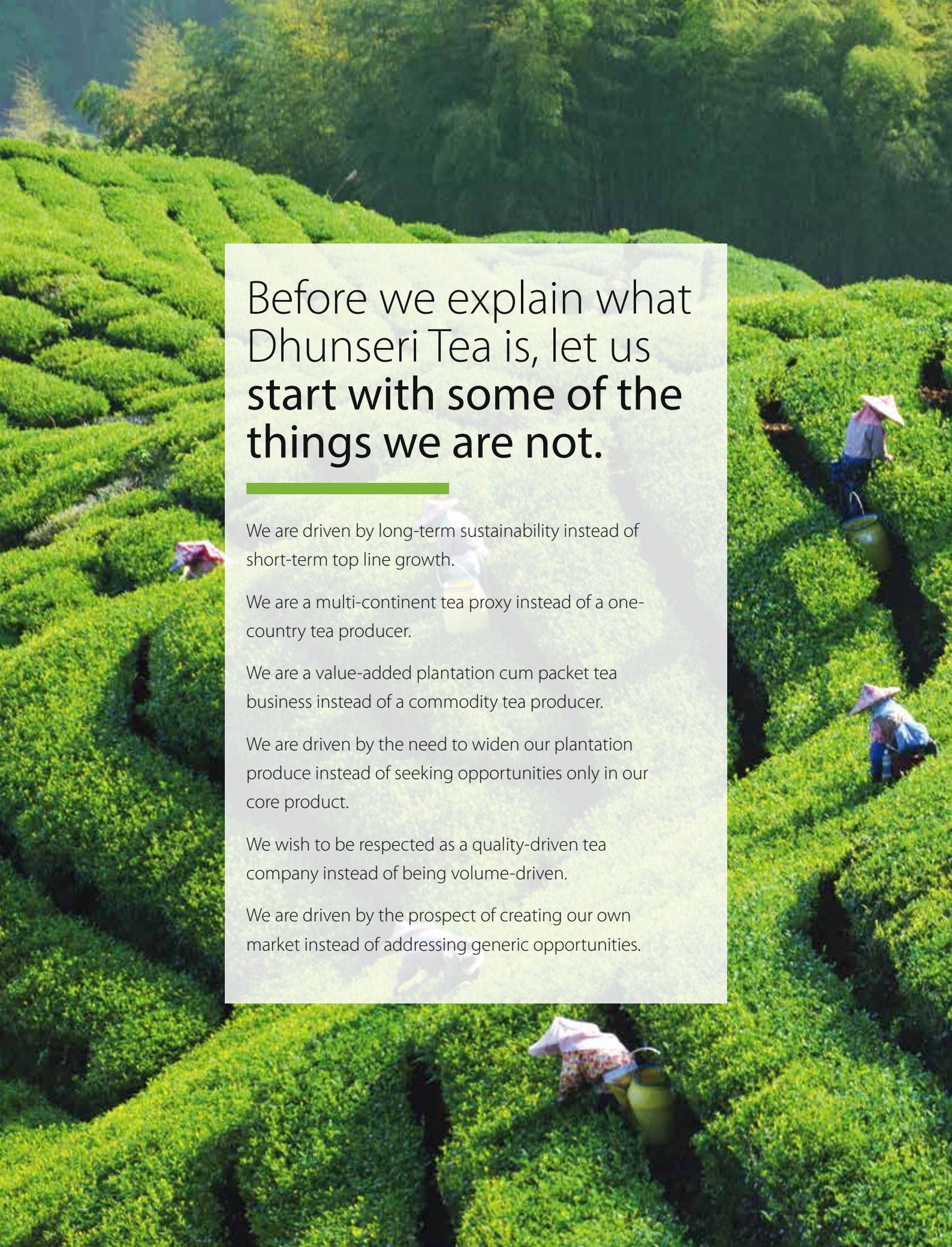
One that addressed short-term opportunities and focused on growth.

Or one that responded to the long-term, invested with patience and addressed sustainability.

At Dhunseri Tea, we selected the latter.

And that has made all the difference.

** We reported profitable growth in a challenging 2015-16. Revenues increased 11.49 per cent. Profit after tax strengthened 26.48 per cent.*

An aerial photograph of a vast, terraced tea plantation. The tea bushes are arranged in neat, winding rows that follow the contours of the hills. Several workers, wearing traditional conical hats and carrying baskets, are visible throughout the plantation, engaged in harvesting. The background shows a dense forest of taller trees, suggesting a rural or mountainous setting. The overall scene is vibrant and green, with bright sunlight illuminating the landscape.

Before we explain what Dhunseri Tea is, let us **start with some of the things we are not.**

We are driven by long-term sustainability instead of short-term top line growth.


We are a multi-continent tea proxy instead of a one-country tea producer.

We are a value-added plantation cum packet tea business instead of a commodity tea producer.

We are driven by the need to widen our plantation produce instead of seeking opportunities only in our core product.

We wish to be respected as a quality-driven tea company instead of being volume-driven.

We are driven by the prospect of creating our own market instead of addressing generic opportunities.

A high-angle, aerial view of a lush green tea plantation. The tea bushes are arranged in neat, terraced rows that follow the contours of a hillside. In the lower-left portion of the image, a person wearing a traditional conical hat and a patterned shirt is seen working in the tea field, carrying a basket. The background is filled with dense green foliage, and the overall scene is bathed in bright, natural light.

This is the result
of our **strategic
differentiation.**

We outperformed the growth of the Indian tea sector's growth of 5% in 2015-16.

We reported profitable growth for the second successive year following the demerger in 2014.

We grew our net profit margin by about 200 bps during 2015-16.



Dhunseri Tea & Industries Limited is a different kind of tea company.

Selecting to grow safely but sustainably.

Selecting to focus on quality over quantity.

Selecting to maximise plantation produce value over volume.

Background

Dhunseri Tea & Industries Limited is a part of the Kolkata-based Dhunseri Group of Companies. The company possesses a rich track record in growing and processing tea for more than six decades.

Management

The Company is headed by Mr. C. K. Dhanuka and Mr. Mrigank Dhanuka; the day-to-day management is addressed by professionals.

Scale

Dhunseri Tea & Industries Limited is one of top ten tea producers in India.

Capacity

Dhunseri possesses 3055.75 hectares of plantations in Assam and 5473 hectares in Africa. These plantations generate two revenue streams – tea and macadamia.

Output

India: Dhunseri produced 10.18 million kg of tea in 2015-16; this was 4.61 per cent higher than the quantum produced in the

previous year. The company's 2015-16 produce accounted for around 1% of the total tea produced in India.

Africa: Dhunseri produced 7.47 million kg of tea across its African estates in 2015-16; this was about 12 per cent lower than in the previous year.

Packet tea: Dhunseri marketed 3.03 million kg of packet tea in 2015-16; this was marginally higher than in the previous year.

Others: Dhunseri is also engaged in the cultivation and sale of macadamia nuts grown on the Malawian estates.

Location

Dhunseri's six estates in Assam are located in upper Assam (South Bank) and four estates in lower Assam (North Bank). These estates possess a cumulative production capacity of 11 million kg.

These regions enjoy the advantages of being the best quality tea producing area in Assam.

Dhunseri's tea estates in Malawi (Kawalazi Estate Company Limited and Makandi Tea & Coffee Estates Limited) are located in South Eastern Africa. These regions are conducive for tea plantations because of minimal pest infestation and favourable weather for tea cultivation.

Dhunseri's blending and packaging unit is located at Jaipur.

Sales

Dhunseri generated ₹ 183 cr from sales within India. The company's international sales out of Malawi amounted to ₹ 90 cr and were marketed to six countries.

The Company's sales increased 11 per cent in 2015-16 over the previous year through its Indian operations.

Brand

The Company is respected for good management practices. The company produces specialty teas that fetch realizations higher than

the average market price for Assam Teas.

Listing

The Company's securities are listed with BSE Ltd. and National Stock Exchange of India Ltd.

Awards & accreditations

Dhunseri's Indian tea estates have been accredited with ISO 22000:2005 food and safety standards.

The estates have also been certified by Trustea attesting that the gardens have a sustainable tea programme.

The Company's Malawi operations have been certified by Hazard Analysis Critical Control Point (HACCP) to manage food safety, Fairtrade to ensure fair pay and working conditions for workers and Rainforest Alliance, which aims to conserve biodiversity and implement ecologically sustainable practices.

"At Dhunseri Tea, we are strengthening our business model to report a larger proportion of value-added revenues"



We have invested continuously in graduating to quality by improving plucking standards, generating incremental volumes, addressing the requirement of buyers and replenishing old bushes with new ones.



At Dhunseri Tea, we believe that growth can be achieved in good markets through a sustained improvement focus – whether we acquire new gardens, whether we enhance their yields, whether we increase their realizations, whether we convert a part of the production into packet teas or we leverage the strength of our distribution network to introduce new products.

When we acquired the Africa plantations in 2012-13, the company resolved to enhance operating efficiencies and enhance annual cash flows. Our African properties generated ₹ 90.46 cr in revenues in 2015-16, reported reasonable margins, strengthened geographic de-risking and provided attractive operating leverage on which to grow our business.

We have done something similar in our Indian operations: we have invested continuously in graduating to quality by improving plucking standards, generating incremental volumes, addressing the requirement of buyers and replenishing old bushes with new ones.

The core of our quality commitment lies in our blending competence. This is a critical aspect in tea manufacture; tea is sensitive to the

place where it is grown, altitude, rainfall and time of plucking. Leaves plucked at different times could taste different. Our competence is derived from the fact that each of our blends of different tea brands deliver consistent taste and quality throughout the year.

This blending competence is derived from the understanding of what consumers want in terms of their taste profile. This taste could comprise diverse realities – colour, taste, smell and granularity. Our team of tasters and blenders regularly appraise tea quality manufactured across our various estates; we possess exclusive blend receipts for various brands; our tea tasting and blending makes it possible for us to manufacture five to six different tea brands as per consumer preferences.

These teas are tasted several times before they are packed, making them distinctive and unique.

The result is a growing popularity of our Lal Ghora and Kala Ghora brands, showcased in their sustained leadership in the packet tea segment of Rajasthan competition from MNC brands notwithstanding.

The time has come to make new moves with attractive implications.

We are one of the few plantation companies in India to have extended to packet tea operations, which is a challenging space marked by dynamics completely different from growing and processing teas. During the last financial year, we made the second decisive decision: to extend the distribution of packet teas from one State to a second State enjoying an attractive opportunity window and relatively under-addressed localized packet tea potential.

So what is the implication?

One, these initiatives extend Dhunseri Tea largely from one product (tea and tea-centric) to multiple revenue-drivers.

Two, they strengthen our position as quality tea makers.

Three, they enhanced our ability to leverage tangible (gardens) and intangible assets (distribution) to strengthen the business.

Given this reality, we are optimistic of strengthening our credentials as a relatively counter-cyclical company with a larger number of drivers that enhance revenues, margins and shareholder value across the coming years.

C.K. Dhanuka, *Chairman*

“Our quality emphasis paid off in a challenging 2015-16”

P. C. Dhandhania, CEO, analyses the company's working



Were you pleased with the performance of the company in 2015-16?

From the first glance, it would appear that there was marginal growth and on the basis of this, it would be simplistic to conclude that the performance of the company was average. However, the performance must be appraised against the performance of the sector as a whole. The reality is that tea plantation volumes declined in Africa in 2015 due to adverse climatic conditions, while they increased marginally in India. However, although our production declined by 573,000 kilos (3.14%), our revenues were up by 2.15%, which must be seen as an achievement.

You are obviously pointing to an improved business quality. What made this happen?

The outperformance of our sector's average and financial robustness are the result of a conscious decision taken by the Dhunseri management that it would stand for one enduring attribute – enhanced tea quality. It enhances the corporate brand, attracts customer loyalty, facilitates quicker offtake in the weak markets and fetches realizations higher than the prevailing average during sectoral rebounds. The net effect is that the company possessed a larger volume for sale at higher realizations, which proved to be insurance in a weak market environment.

Although our production declined by 573,000 kilos (3.14%), our revenues were up by 2.15%

How did the company strengthen its business in a challenging year?

One of our priorities at Dhunseri Tea is to sustain business development as a long-term activity that is independent of market cycles. There are some investments that we will continue to make as they strengthen our business over the long-term; uprooting and infilling are two activities we sustained over the last few years. As some of our old bushes age and report a productivity decline, we have to continually replace and replenish these tea bushes with the objective to get the new bushes to start delivering enhanced productivity in about three years (the interim period being planned downtime). The result is that we uprooted old bushes and replanted 80 hectares across our Indian gardens and 50 hectares in Malawi. We covered 86 hectares in fresh planting of macadamia where we expect to generate the first harvest in seven years.

How else did the company strengthen the business during the year under review?

Over the years, there has been a growing recognition of the strength of the company's packet tea business – the quality that we deliver, the appeal of our brands, our distribution reach and the strength with our trade partners. During the last financial year, the company took a conscious decision and leveraged these business blocks through three initiatives – we extended our packet tea business by initiating a soft launch of our 'Lal Ghora' and 'Kala Ghora' brands in Orissa, we soft launched our premium tea 'Dhunseri Gold' in Rajasthan through our existing packet tea distribution network. We believe that this initiative will make it possible to de-risk our tea business from a complete dependence on one state, strengthening our prospects.

What is the outlook for the company in 2016-17?

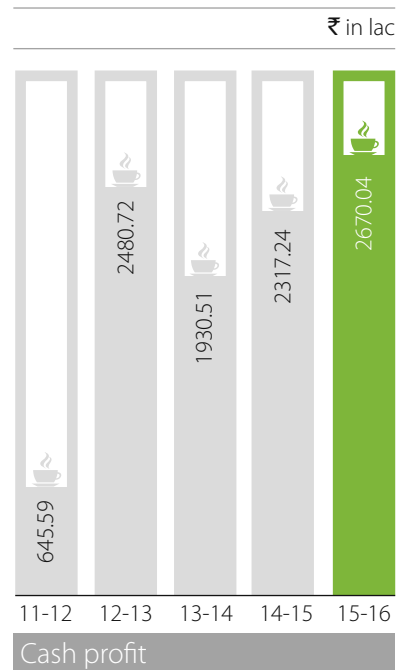
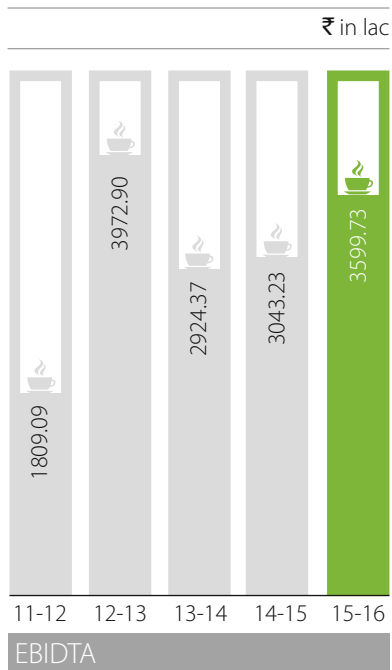
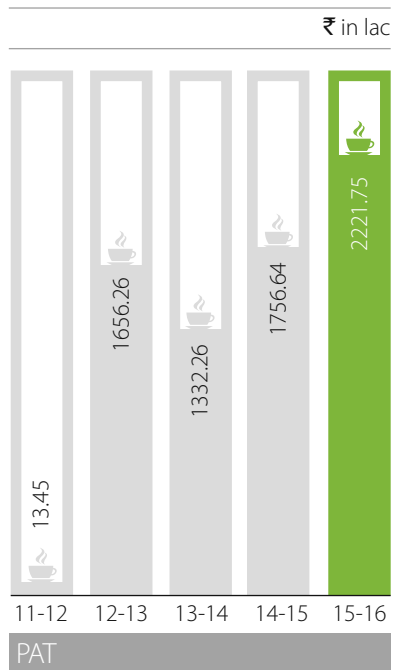
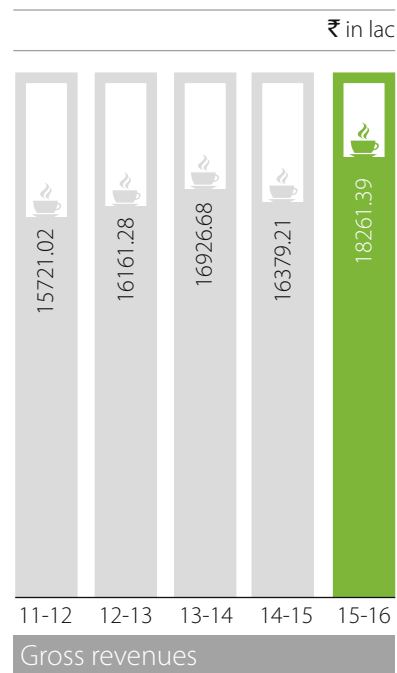
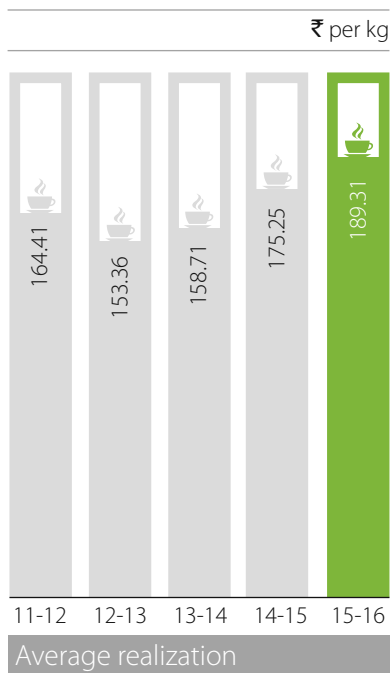
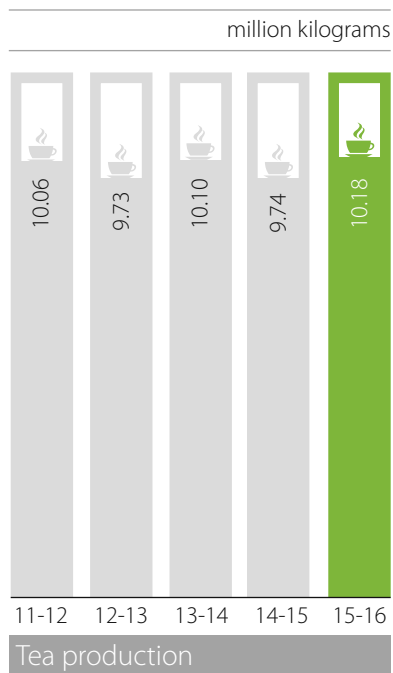
We expect the Africa crop to rebound as a result of which realizations would also improve. We also expect Indian volumes to be higher by an estimated half a million kg, as a result of which realizations would be healthy as we have presence in the quality teas segment and we expect realisations to be stable due to better quality. The combination – Africa and India – is likely to translate into larger volumes and realisations, resulting in a volume-value benefit for the company in 2016-17.

How does the company expect to strengthen its business in 2016-17?

We expect to deploy our accruals in business development with enduring impact – we intend to uproot and replant around 2.5 per cent area of our Indian tea gardens and extend our African gardens by 60 hectares for tea and 120 hectares for macadamia, which are expected to strengthen yields and realizations once these investments are monetized. We also expect that our packet tea extension into a second state will enhance our overall revenues, resulting in an improved performance during 2016-17.

How we performed over the years

(Standalone)



Our performance ambition

AT DHUNSERI TEA, OUR PERFORMANCE AMBITION IS TO CREATE ONE OF THE MOST RESPECTED TEA PLANTATION AND PACKET TEA COMPANIES IN INDIA.

Overall goal

We intend to enhance business value leading to surplus leading to reinvestment leading to scale (as opposed to focusing on scale that could affect realisations, our capacity to resist market cycles and overall competitiveness).

Goal contributors

- Increase yields from our tea estates in India and Malawi through sustained replanting
- Graduate to the higher end of our existing niches – in terms of brand recall and realisations
- Introduce new packet tea brands; widen marketing footprint across select Indian states; enhance consumption of tea grown on the company's estates in the packet tea business

Making focused investments

- Replanting old tea bushes across our estates (2.52% of our estates each year) with the objective to moderately improve the age of the bushes.
- Increasing irrigation coverage of our estates
- Mechanising some operations of our estate to moderate labour costs

- Selective investments in our tea processing, blending and packaging infrastructure
- Increasing promotion investments in growing our packet tea business

Measuring our performance ambition

Profitable growth
(Indian operations)

Total income

Grew 11.56 per cent in 2015-16

Operating profit margin

Grew 114 bps to 19.66 per cent in 2015-16

Free cash

Grew 15 per cent to ₹ 26.70 cr in 2015-16

Consistent value creation

Return on average invested capital

Grew 93 bps to 4.93 per cent in 2015-16

Market capitalisation

Grew from ₹ 144 cr as on 31 March 2015 to ₹ 172 cr as on 31 March 2016

Average realisation

Grew from ₹ 175.25 per kg in 2014-15 to ₹ 189.31 per kg in 2015-16

From cyclicity to sustainability





AT DHUNSERI TEA, WE ARE FOCUSED ON GENERATING SUSTAINABILITY FROM CYCLICALITY.

In a business that is largely dependent on climatic vagaries, the principal objective at Dhunseri Tea is to generate predictable results.

Over the year, we have done so in various ways.

Tea business: We have consistently uprooted our old bushes and replanted new tea bushes, enhancing our yields. We pluck with a discipline that makes it possible to balance volume with value. We are

enhancing the throughput of our tea business through non-capex-intensive projects. We are extending into profitable contiguous products (macadamia).

Packet tea business: We launched the Dhunseri Gold packet tea brand in Rajasthan. We now consume 30 per cent of our tea produce in our downstream packet tea business, enhancing value-addition. We enhanced visibility

through a prominent brand ambassador. Even as we address the medium category, we test-marketed the launch of a premium brand. We are extending our footprint to a second state.

Balance Sheet: We prefer to remain relatively under-borrowed in a business marked by cyclicity. We are scaling our packet tea business by enhancing our advertising spending and widening our

dealership network to the extent that our Balance Sheet permits.

The result is that we have grown our profits attractively: from ₹ 13.45 Lac in 2011-12 to ₹ 22.22 cr in 2015-16; we strengthened our EBITDA margin 820 bps across the period.

Sustainability pays.



Our **robust** business model

THE TEA INDUSTRY IS ONE OF THE MOST CHALLENGING.

THE SECTOR IS MARKED BY VARIABLES ON THE ONE HAND AND GROWING NEED FOR SUSTAINED INCREASE IN STAKEHOLDER VALUE ON THE OTHER.

The number of variables is many. Fluctuating tea realizations. Increasing labour costs. Evolving consumer preferences. Changing costs of funds. Environment sensitivity. Conventional sectoral mindset.

At Dhunseri Tea, we graduated to a business model that we believe is likely to generate multi-year growth across industry cycles.

Vision

In a sector marked by scale, the company resolved to be a contrarian: not the largest with the biggest Balance Sheet but the best progressively integrated company with the smallest Balance Sheet. This perspective influenced the company's capital allocation, product mix and realizations strategy, virtually defining the company's personality. The company has worked towards a path to ensure sustained margins, strengthening corporate stability.

Philosophy

Dhunseri Tea has consciously selected to position itself as a quality tea grower. This priority is influenced by its plucking and processing practices. For instance, the Company follows a strict plucking discipline, which optimizes quantity as well as quality. Nearly 75 per cent of the company's peak season plucking is aligned with the plucking cycle to achieve optimum leaf size. Even as this preference for quality moderates our output, it translates into returns higher than the conventional volume-maximisation approach. Over the years, this priority translated into an increased EBIDTA margin – from around 11.51 per cent in 2011-12 to 19.71 per cent in 2015-16.

Scale

Over the years, Dhunseri Tea has selected to grow its business with a focus on geographic compactness. The company believes that gains can be maximized through an intensive focus. In view of this, the company has selected to focus on two principal regions – India and Africa. In India, the company's operations are spread across 10 estates in Assam, a region that enjoys favourable tea-growing climate both for quality and quantity. In Africa, the company's two tea estates enjoy high yields with a unique tea character.

Presence

The company has de-risked its business through a presence in two continents (Africa and India). This has helped

moderate the risk arising out of a complete dependence in any one region or country. This decision was validated during the year under review when the Africa tea output was affected even as the Assam output was largely protected. We believe that this geographic spread has enhanced our de-risking and sustainability.

Value-addition

The Company believes that as plantation costs increase, there will be a premium on the need to enhance value through branding and packaging tea. Over the years, the company increased the captive consumption of its plantation tea to 100 per cent in 2015-16. The proportion of revenues derived from packet tea has increased: from 29 per cent of

revenues in 2011-12 to 35 per cent in 2015-16. As a long-term direction, the company embarked on scaling its packet tea business – from one state to two and from two brands to three.

Product

The Company has selected to produce CTC and orthodox tea varieties addressing premium / premium-to-mid ends. We believe that these niches generate adequate volumes and attractive realizations in India where preferences are evolving to the better tea varieties.

Flexibility

The Company has a flexible approach in marketing plantation tea with the objective to respond to market dynamics and maximize

In a sector marked by scale, the company resolved to be a contrarian: not the largest with the biggest Balance Sheet but the best progressively integrated company with the smallest Balance Sheet.

realizations. The company's tea is also marketed through auctions, private and institutional buyers, enhancing the company's strategic flexibility and empowering it to maximize realizations.

Responsibility

The Company believes that in a business marked by increasing labour costs, the future belongs to tea growers who produce superior quality and address the needs of the most demanding customers willing to pay better. In line with this, the company produced teas in full compliance with international MRL and food safety standards. Over the years, the company's produce has been certified for Fairtrade, Rainforest Alliance, Hazard Analysis Critical Control Point (HACCP), Ethical Tea Partnership and ISO 22000 across its estates. This compliance has helped moderate the use of pesticides and widen sales across international markets.

Factories

The Company has its blending unit in Rajasthan due to a favourable climate. The unit is ISO 22000 certified and is

constantly modified, which resulted in a renewal of the certification for three years. This made it convenient to extend the tea (when it is still enjoying an aroma, colour and flavor) to processing, resulting in superior taste characteristics. The aggregate capacity of this factory is 4 million kg/annum.

Product mix

Even as the company generates a majority of its revenues from tea, it has consciously selected to extend into contiguous product spaces. For instance, the Company selected to grow macadamia across 1441 hectares in Malawi. Macadamia generates a return that is around 18 percent higher than tea, enjoys attractive demand and makes it possible to de-risk the company's plantation revenues from an excessive dependence on tea. Macadamia accounted for 32 per cent of the company's estate coverage in 2015-16; this is expected to increase to 37 per cent in a few years following widening coverage.

Water security

The company believes that there is a greater need to

enhance ground water security at a time when climatic vagaries are affecting tea production patterns the world over. In view of this, the management sustained ground irrigation coverage of its estates: 90% across its Assam estates and 95% at its Kawalazi estate while water security at the second Africa estate remains a challenge. The management increased the irrigation proportion of the Company's Assam tea estates to 85%, strengthening its climatic de-risking. The Company plans to cover the entire tea estate with well irrigation in 2016-17.

Replanting

The age of the Company's tea bushes varies for each of its tea estates. Tea bushes in the age group of 20-50 years generate maximum yields, compared with the new bushes which take a minimum of 25 years to reach its highest potential. In view of the above, the Company's policy of uprooting discipline of 2.5% of the total area. Bushes at age 50 years or above have been consolidated with infilling. This discipline will help strengthen the company's

overall yields in the coming years.

Fiscal conservatism

The company has selected to pursue an incremental model, preferring to plough accruals into asset building as against the conventional mobilisation of large debt in building scale. Over time, this preference for accrual-based investing has translated into a relatively small Balance Sheet and high interest cover.

Mechanisation

The people-intensive tea industry is marked by rising labour costs on the one hand and erratic realizations on the other. As a long-term hedge, the company invested in estate mechanization with the objective to progressively insulate itself from increasing labour costs. Labour costs accounted for a major part of revenues.

This is how our business model translated into superior **numbers**

INCREASING PLANTATION TEA REALIZATIONS



INCREASING PACKET TEA REALIZATIONS



ATTRACTIVE MARGINS



YIELD



Segment review

Tea plantation

89.21%
of revenues,
2015-16

1.51%
Revenue growth,
2015-16

Overview

Assam produces black tea with a bright colour, vigorous body and tarty-malty flavour. While it is not as packed with antioxidants as green or white tea, it is reputed to be healthy. 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 macadamia (0.601 million kilograms a year).

Key developments, 2015-16 India

- Tea production was 10.18 million kilograms in 2015-16 as against 9.74 million kg in 2014-15
- Tea revenue stood at ₹ 183.00 cr in 2015-16; average realisations were ₹ 189.31 per kilogram in 2015-16 compared to ₹ 175.25 per kilogram in 2014-15.
- Average yield stood at 2126 kilograms per hectare in the year under review.
- Uprooting and replanting was conducted across 80

hectares (55 hectares in 2014-15)

- Invested ₹ 0.20 cr in automated equipment (plucking, pruning and ploughing); pruning done using these machines helped in the completion of the work in time with lesser workers than usual.

Malawi

- Tea production was 7.47 million kg against 8.5 million kg in 2014-15.
- Tea revenue stood at ₹ 90.46 cr in 2015-16; average realisations were ₹ 91.96 per kilogram in 2015-16 compared to ₹ 89.63 per kilogram in 2014-15.
- Average yield was 4300 kilograms per hectare in Kawalazi and 2600 kilograms per hectare in Makandi.
- Macadamia production stood at 0.58 million kg in 2015-16 (0.61 million kg in 2014-15).

- Revenue from macadamia increased from ₹ 28 crore in 2014-15 to ₹ 29 in 2015-16.

- Planted clonal tea varieties in Malawi; achieved a yield of around 5,200 kilograms per hectare in Kawalazi and around 3,000 kilograms per hectare in Makandi.

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; 100 per cent of the area under macadamia is likely to be irrigated by 2017.

The macadamia magic

The company's African estates grow macadamia nuts in addition to tea. These nuts are sought after

with health benefits: one serving fetches 58% of the daily manganese requirement and 23% of the daily thiamin

requirement. These are rich in vitamin B1 and of the 21 grams of fat found in these nuts, only 3 grams are

saturated fat.

Raw macadamia nuts have helped trim waistlines when used as regular snack.

Segment review

Packet Tea

5%

Market share, leader in packet tea segment in Rajasthan

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, making the Company a leader 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 Orissa. 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 mostly from exports. The produce from the Company's estates in Africa cater to packet tea manufacturers and blenders worldwide.

Key developments 2015-16

- 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 2015-16.

- The company renewed the Trustea certification for all of its estates in Assam. The company's Indian operations are also ISO 22000 compliant, highlighting Dhunseri Tea's dedication to sustainability and quality.

- Following the same protocols internationally, the FAIRTRADE, Rainforest alliance, and HACCP certifications for the Malawian estates were also renewed.

- Enlisted Ms. Hema Malini as brand ambassador for all its

packet teas for another two years.

- 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 teas segment and capitalise on this low volume-high realisation product.

A trial brand launch in Odisha marks the first foray into another state. Increasing the customer base represents the basics of a profitable business; the Company is optimistic about the prospects of its trusted brands.

Our brands



Our certifications



Management discussion and analysis



Indian economy overview

The Indian economy has been one of the few that remained strong in 2015-16, at a time when the global outlook remained bleak. India's GDP grew by 7.6%, compared to 7.3% recorded in 2014-15. Strong government reforms, focused inflation reduction measures by the RBI and falling commodity prices helped accelerate growth. Despite lower than average rainfall for the second consecutive year in 2015, the agriculture sector grew by 1.1%, aided by a growth in livestock population. Inflation reduced to 4.8% in Q4, in line with the government's target to keep it at 5% or lower by 2016-17. The sharpest upsurge came from electricity, gas and water generation (9.3% in Q4 FY16). Infrastructure output also grew by 8.5% in FY16, which was the highest ever in 17 months, indicating a growing economy.

The recent measures undertaken by the Central Government to boost the

economy raised the GDP at factor cost constant (2011-12) prices in 2015-16 to ₹ 113.5 trillion, up from ₹105.5 trillion in 2014-15. From a global perspective, India's economy remained buoyant, but to sustain growth, the Central Government needs to revive rural demand and rejuvenate public sector banks. Powered by inclusion of the masses in banking, technology adoption, urbanisation and other governmental reforms, the economy is projected to grow at an average of 8% between 2016-20. (Source: World Bank, CSO data, IBEF, Livemint)

Global tea industry overview

Tea enjoys worldwide consumer preference. As with any other commodity, tea was also affected by global trends in 2015. Demand for tea outpaced supply; was visible in the average auction prices which stood at \$2.4 per kilogram as compared to \$2.65 in 2012. Global tea production stood at approximately 5.2 million metric tonnes (MMT) in the calendar

year 2015 and domestic consumption in tea-producing countries left just 1.75 MMT for exports, or just 34% of total production. Kenya led the way on the export front, followed by China (18% of total exports), Sri Lanka (17% and India (12%). China also witnessed a 6.3% increase in tea consumption from 443 MMT in 2014, to 471 MMT in 2015. Chinese imports went up at a 15.7% CAGR. The year also witnessed Iran re-entering the tea export market after the lifting of sanctions on the country. Iran had a sustainable domestic consumption of 1.4 kg per person and progressively, the country is expected to improve its harvest and cultivation numbers which were stunted by climatic issues and economic embargoes thus far.

Another key development was the fact that the US emerged as one of the major tea-consuming and producing countries. The US had already become the third largest tea importer in 2014. While iced tea led consumption statistics

in restaurants in 2015, 54% of tea drinkers preferred making hot tea at home while 51% preferred iced tea at restaurants. The global tea industry is projected to grow at 4.6% CAGR between 2016-20, driven by consistent growth in demand in APAC, and rising growth in the U.S. and Europe. This is an encouraging medium-term outlook for the global tea industry. (Sources: World Tea News, Hindu BusinessLine)

African tea industry overview

Kenya is one of the largest tea producers in the world, trailing China and India. According to the Tea Board of Kenya, exports quadrupled in the past decade after disastrous droughts saw crops falter in 2006. The UK imports over 50% of its tea from Kenya. While India and China consume most of what they produce, Kenya exports most of its tea. The country is aided by the fact that its located right on the equator, which makes its teas non- seasonal. Kenya's tea industry reported a cumulative \$1.38 billion in revenues in



The estimated annual Indian tea production in 2015-16 was pegged at 1,213 million. Tea exports registered an impressive 10 million kg increase in 2015.

2015. Domestic revenues contributed approximately \$150 million and the rest came from exports. In terms of global exports, Kenya was the highest exporter in 2015, accounting for 25% of global exports. According to AFFA (Agriculture, Fisheries and Food Authority), the fastest -growing export markets for Kenya were Poland, Somalia and Nigeria. Malawi has some of the oldest tea plantations in Africa. More recently, in 2015, the Malawian region faced severe drought, and from an operational standpoint, a number of the country's estates suspended operations.

Indian tea industry overview

The estimated annual tea production in 2015-16 was pegged at 1,213 million kg against 1,197 million kg in 2014-15, registering a marginal increment of 1%. Although production was initially expected to decline due to climate changes and labour issues, West Bengal and Assam produced more

tea than in the previous fiscal, leading to a marginal increase. Tea production in Southern India was lower than in the previous year, but production in Northern India grew marginally by 8.22 million kg in the April-November period of FY16, helping compensate the reduction in tea production. BLF (bought leaf factories) which usually source not less than two-thirds of their tea leaf requirements from other tea growers, also registered an increased captive production (about 2.2%) across the nation. This indicated an increase in the share of small tea growers of the total production. Tea exports registered an impressive 10 million kg increase in 2015, with net export volume estimated at 217.67 million kg, as against 207.40 million in 2014. In 2015, India consumed 911 million kg of tea, or roughly 19% of the global consumption.

Irrigation: importance and practices

Over the recent years, while rainfall has mostly been plentiful in Assam, climate

change has emerged as a major problem. To counter this, The Tea Research Association along with Southampton University conducted studies to observe the effects of climate change on tea production and devise climate-smart agricultural and land management practices.

The most favoured practice was drip irrigation, which delivers water, plant nutrients and chemicals in the right places at the right time, in appropriate amounts and with the highest efficiency. It reduces soil loss, lowers labour costs, saves water and enhances yields. Another procedure that is used alongside drip irrigation is fertigation, a method of delivering plant nutrients precisely in the crop root zone according to demand during the growing season. Shoots from fertigated plots regenerate faster than those from non-fertigated plots. Drought mortality rates also drop significantly when this method is used.

Reasons for optimism in the industry

Domestic demand and

scope: India is the world's largest consumer of black tea, consuming four-fifths of the total tea it produces. On an annual per capita basis, India consumes approximately 326.5 grams of tea, which is lower than countries such as Turkey which leads per capita consumption at 3.15 kilograms, indicating an ample scope for improvement in terms of domestic consumption. Tea has always been an important part of the country's culture and the orthodox Assam tea has got a Geographical Indicator (GI) tag in India. A GI is attached to certain products which have become synonymous with a certain location. This tag also protects the product from imitations and helps preserve quality.

Health benefits: Tea helps combat cardiac ailments, controls cholesterol, protects the skin, keeps cancer at bay, strengthens bones and contains no calories, fat or salt. The

Various industry startups are promoting tea by utilising technology to offer customised tea.



increasing awareness of health advantages associated with tea intake (especially organic, white and green) represents a strong demand driver.

Lifestyle: Tea is still the beverage of choice in India. Creative marketing and branding has also elevated the status of tea and brought it under the purview of a lifestyle choice. Constantly innovating with products such as iced tea, peppermint tea and the Indian favourite ‘masala chai’ to promote tea as a lifestyle product. Various industry startups are promoting tea by utilising technology to offer customised tea. Startups like Chai-point, Chotu chaiwala and Chaayos are revolutionising tea consumption by providing variety in flavours and the convenience of doorstep delivery.

Outlook for the industry

The stabilisation of domestic tea prices invariably increases export price realisations. However, the industry is

experiencing rising input costs, which is raising a few concerns. Rising labour costs are one of the factors which stand out as a challenge, and might start eating into profits. Besides this, climate change is also a factor which might make the overall scenario unsustainable. Strategic planning, estate mechanisation and irrigation are being considered as solutions for tackling these problems. Production and exports are largely expected to remain stable this year, but the first three quarters of FY17 will determine the road ahead for the industry.

Segment/product-wise performance

The Company's output during 2015-16 stood at 10.18 million kg compared to 9.74 million kg in 2014-15. The production in Malawi was less during the year, at 7.47 million kg in comparison to 8.50 million kg in the previous year. The average tea realisation per kilo improved by 8% in India. In Africa, it was

marginally better than in the previous year. The production of macadamia nuts during the year marginally lowered marginally to 0.58 million kg.

Risks and concerns

Risks are inevitable in any business. Being aware of this, the Company has a proper risk management system in place to counter them. A dedicated Risk Management Committee meets regularly to identify processes or areas of business exposed to risks and determine a strategy to mitigate them. This has been discussed in the risk management section of the Annual Report.

Internal control systems and their adequacy

The Company implemented internal control systems to ensure that all assets are safeguarded and protected against losses and all transactions are recorded and reported correctly. The internal control system is commensurate with the size

and nature of the Company's business. The systems are regularly reviewed for effectiveness.

Discussion on financial performance with respect to operational performance

This has been covered in the Director's Report Section, specifically under the section on financial results and operations.

Material developments on the human resources/industrial relations front, including number of people employed

The Company emphasises on training and development of personnel to derive optimum results. The Company strives to maintain healthy industrial relations across locations and employees. The number of people employed by the Company in India as on March 31, 2016 stood at 5,144 including 5,028 workers at the tea estates.

How we manage risks at Dhunseri



Industry risk

VOLATILE REALISATIONS OR INCONSISTENT OUTPUT CAN AFFECT PROSPECTS.

Response: The Company invested in producing quality teas as an effective hedge. This helped moderate the impact of price and output volatility, increasing corporate stability.

Result: Even as tea output declined, average realisations improved over the fiscal gone by.

Dependence risk

DEPENDENCE ON A SINGLE GEOGRAPHY OR PRODUCT COULD AFFECT PROFITABILITY DURING A DOWNTREND.

Response: Through its acquisition of estates in Africa, Dhunseri has reduced its dependence on a single market. In Africa, tea is a perennial crop, ensuring year-round output. Besides, a multi-geography presence insulates the Company from being extensively affected by climatic impacts. Besides, Dhunseri cultivated

the profitable macadamia product in its African estates, further de-risking the business from dependence on a single commodity.

Result: African operations accounted for 33.11% of the Company's revenues in 2015-16 and macadamia revenues grew by 6% over the previous year.

Quality risk

ANY DIMINUTION IN THE COMPANY'S PRODUCT QUALITY CAN AFFECT ITS REPUTATION, REALISATIONS AND EARNINGS.

Response: The Company continues to focus on manufacturing quality tea. In the last couple of years, the Company disinvested its bought leaf factories and focused on leveraging the increase in the captive consumption packaged tea. The Company implemented prudent

production practices, invested in a water treatment plant, acquired stringent certifications, installed cutting-edge automation, ensured compliance with norms and fine plucking practices.

Result: The Company's focus on quality enhanced its brand identity.

Climatic risk

UNPREDICTABLE CLIMATIC CONDITIONS COULD HAMPER TEA PRODUCTION.

Response: The Company strengthened its irrigation coverage to 90% of its Assam estates, 95% in one African estate and 15% in another. In Malawi, the Company also used drought resistant clones.

Result: The Company achieved a yield of around 4,600 kg per hectare in Kawalazi and around 2,600 kilograms per hectare in Makandi while the Company's Assamese estates generated a yield of around 2,126 kg per hectare.



Customer risk

CUSTOMER SUSTAINABILITY COULD AFFECT PROFITABILITY.

Response: Almost 30% of the Company's plantation tea is packaged while; the rest is marketed through auctions or sold directly within India. Following the Malawi acquisition, the Company commenced exports to Northern and Southern African countries, Europe, the

UK, Russia, Pakistan and the Middle East. Macadamia nuts are exported to the US, Japan, Europe and South East Asia.

Result: Almost all of the Company's exports comprise forward agreements with the customer and are insulated from market fluctuations.

Pests risk

PESTS CAN AFFECT ESTATE PRODUCTIVITY.

Response: The Company rigorously enforced an estate wide mechanism to address pest attacks through the use of PPC-prescribed chemicals under the Trustea code. This responsible use of chemicals strengthened the demand for the Company's product. Keeping pest attacks in mind, the Company acquired

tea estates in Africa marked by negligible pest challenges.

Result: Even as tea estates in Assam were affected by pests, resulting in crop loss, the volume loss in Dhunseri's estates was contained due to the undertaking of proactive measures.

Labour risk

THE LABOUR-INTENSIVE INDUSTRY IS MARKED BY RISING PEOPLE COSTS AND MANPOWER SHORTAGE.

Response: The Company began to invest in automation covering plucking, pruning and ploughing activities. All uprooting is now done by backhoe pay loaders; 50% of all the pruning is done using top-notch equipment. The Company invested in a

machine (shear) plucking system in its Malawi estates.

Result: The Company has begun adopting cutting edge automation across its estates in a phased manner.

Statutory section

Directors' Report

Dear members

We have pleasure in presenting the 19th Annual Report together with the Financial Statements of the Company for the year ended 31st March, 2016.

1. Financial Results

(₹ in Lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	Accounting year ended		Accounting year ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1 Income from Operations				
a. Net Sales/ Income from Operations	18,261.39	16,379.21	27,307.93	26,754.58
b. Other Operating Income	47.63	42.71	47.63	42.71
Total Income from Operations	18,309.02	16,421.92	27,355.56	26,797.29
2 Expenses				
a. Cost of Materials Consumed	3,464.95	3,397.29	3,464.95	3,397.29
b. Changes in Inventories of finished goods and stock in trade	(510.41)	(320.62)	(433.02)	(8.75)
c. Employee Benefits Expense	5,779.18	4,644.42	6,962.15	5,762.53
d. Depreciation Expense	538.56	612.36	888.78	979.88
e. Freight, Delivery & Selling Expenses	1,193.35	896.70	1,882.93	1,400.30
f. Power & Fuel	1,721.34	1,774.50	3,536.00	3,000.31
g. Other Expenses	3,403.50	3,283.94	8,264.56	9,001.72
Total Expenses	15,590.47	14,288.59	24,566.35	23,533.28
3 Profit from Operations before Other Income, Finance costs and Exceptional items (1-2)	2,718.55	2,133.33	2,789.21	3,264.01
4 Other Income	342.62	297.54	1,284.98	778.69
5 Profit from Ordinary activities before Finance costs (3+4)	3,061.17	2,430.87	4,074.19	4,042.70
6 Finance costs	280.71	358.98	873.03	818.57
7 Profit from Ordinary activities before tax (5-6)	2,780.46	2,071.89	3,201.16	3,224.13
8 Tax Expense :				
Current Year	615.00	435.00	640.35	435.00
Adjustment for earlier years	33.98	(67.99)	37.24	(67.99)
Deferred Tax	(90.27)	(51.76)	(7.31)	26.27
9 Net Profit after Tax (7 - 8)	2,221.75	1,756.64	2,530.88	2,830.85
10 Paid up Equity Share Capital (Face Value ₹10/- per share)	700.50	700.50	700.50	700.50
11 Reserve	15,925.01	14,377.74	11,356.36	11,481.28
Excluding Revaluation Reserve				
12 Earnings per share (of ₹10/- each):				
(a) Basic (₹)	31.72	25.08	36.13	40.41
(b) Diluted (₹)	31.72	25.08	36.13	40.41

2. Dividend

The Directors recommend a dividend of ₹8.00 per equity share i.e. @ 80% for the financial year ended 31st March, 2016 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 ₹1,000.00 lakhs to the general reserve out of the amount available for appropriation and an amount of ₹1,171.79 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 10.18 and 9.62 mn kg. as against 9.74 and 9.35 mn kg. respectively in the previous year. The production for the year under review was comparatively more by about 4.60%. The sales in terms of volume were more by about 2.94% and the average realizations were also more by about 8.00% 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 7.47 and 7.41 mn kg. as against 8.50 and 9.15 mn kg. respectively in the previous year. The manufacture and sale of tea were less for the year under review. The tea sales in terms of volume were also less by about 19% although the average realization was marginally better in comparison to the previous year.

The production and sale of macadamia in terms of volume was about 0.58 and 0.60 mn. Kg as against 0.61 and 0.60 mn kg respectively in the previous year. The production of macadamia in terms of volume was less by about 5% whereas the sales in terms of volume was almost similar in comparison to the previous year.

5. Subsidiary Companies

The Company has following three wholly owned subsidiaries as on March 31, 2016 :

- i) Dhunseri Petrochem & Tea Pte Ltd (DPTPL);
- ii) Makandi Tea & Coffee Estates Ltd (MTCEL) &
- iii) Kawalazi Estate Company Ltd (KECL)

The entire share capital of the subsidiaries i.e. MTCEL and KECL are

held by DPTPL and that of DPTPL 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 containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 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 2015-16.

8. Directors & Key Managerial Personnel

Mr. Rajiv Kumar Sharma, who was appointed as a director of the Company on 9th September, 2014, in a casual vacancy, retires by rotation at the ensuing 19th Annual General Meeting, and being eligible offers himself for reappointment. The Board recommends his reappointment.

Mr Basudeo Beriwalla, Ms. Nandini Khaitan and Mr. Ashok Kumar Lohia, were appointed at the last AGM as independent directors of the Company for a term of five consecutive years w.e.f. 9th September, 2014. Mr. Bharat Bajoria, was earlier appointed as an independent director for five consecutive years w.e.f. 8th September, 2014.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act.

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 2015-16. 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.

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, which forms part of the Directors' 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 this Report.

13. Audit committee

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this 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 2016-17 is required to be ratified by the shareholders at the ensuing 19th AGM of the Company.

16. Auditors' report and secretarial auditors' report

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks and have been annexed to the Report.

17. 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.

18. Particulars of loans, guarantees and investments

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

19. 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.

20. 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, is presented in a separate section forming part of the Annual Report.

21. 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.

22. 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.

23. 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 31.03.2016 (₹)	Ratio to median remuneration
1. Mr. Mrigank Dhanuka	20,000	0.38 :1
2. Mr. R.K. Sharma	30,000	0.57 :1
3. Mr. Bharat Bajoria	65,000	1.23 :1
4. Mr. Basudeo Beriwal	80,000	1.51 :1
5. Ms. Nandini Khaitan	40,000	0.75 :1
6. Mr. Ashok Kumar Lohia	20,000	0.38 :1
Executive director		
1. Mr. C.K. Dhanuka	98,98,147	186.76 :1

The median remuneration of employees for financial year 2015-16 is ₹0.53 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#	37
2. Mr. Mrigank Dhanuka#	No increase
3. Mr. Bharat Bajoria#	333
4. Mr. Basudeo Beriwal#	300
5. Ms. Nandini Khaitan#	166
6. Mr. Ashok Kumar Lohia#	(43)
7. Mr. R.K. Sharma	50
8. Mr. P. C. Dhandhanian Chief Executive Officer	No change
9. Ms. Bhavna Khemka Chief Financial Officer	11
10. Mr. R. Mahadevan Company Secretary#	70

During previous year the remuneration paid to directors & KMP were for part of the year.

- c. The percentage increase in the median remuneration of employees in the financial year: 25%.
- d. The number of permanent employees on the rolls of Company: 5144

- e. The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of about 25%. The individual increments varied from about 10% to 25% based on individual performance.

The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance apart from an individual's performance.

- f. Comparison of the remuneration of the key managerial personnel (KMP) against the performance of the Company:

Aggregate remuneration of KMP in FY16 (₹ Lakhs)	136.42
Revenue (₹ Lakhs)	18261
Remuneration of KMPs (as % of revenue)	0.74
Profit before Tax (PBT) (₹ Lakhs)	2221
Remuneration of KMP (as % of PBT)	6.05

- g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2016	March 31, 2015*	% Change
Market Capitalisation (₹ lakhs)#	17162.13	14402.18	19.16
Price Earnings Ratio#	7.72	8.20	(0.48)

(# Based on BSE figures)

- h. 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 2015-16 was 19.83% and in the case of managerial remuneration the increase was 30.10%. 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.

- i. Comparison of each remuneration of the key managerial personnel against the performance of the Company: (₹ In lakhs)

	Mr. C.K. Dhanuka Managing Director	Mr. P.C. Dhandhanja Chief Executive Officer	Ms. Bhavana Khemka Chief Financial Officer	Mr. R. Mahadevan Company Secretary
Remuneration in FY16	98.98	17.30	9.92	8.13
Revenue	18261			
Remuneration (% of revenue)	0.54	0.09	0.05	0.04
Profit before Tax (PBT)	2221			
Remuneration (% of PBT)	4.46	0.78	0.45	0.37

- j. The key parameters for any variable component of remuneration availed by the directors:

There is no variable component of remuneration in case of non-executive directors as only sitting fees is paid to them for attending Board / Committee Meetings. But in case of executive director the variable component is commission which depends on the profit of the Company.

- k. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None.

- l. 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.

- m. 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.

24. 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-subsidiary.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>).

25. 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.

26. 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 other 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.

27. 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.

28. 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.

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

The Company has set up 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 2015-16.

30. Green Initiatives

As part of our green initiative, the electronic copies of this Annual Report including the Notice of the 19th 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 19th 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.

31. 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,
27th May, 2016

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 programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

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 ₹33 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 building plans were earlier sanctioned by Kolkata Municipal Corporation and the project is now nearing completion.

2. The composition of the CSR committee: The Company has a CSR committee of directors comprising of Sri. Basudeo Beriwalla, Chairman of the Committee, Sri. 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: ₹1639.51 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹32.79 lakhs

5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year: ₹33 lakhs
- b. Amount unspent: Nil
- c. 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.

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2)Specify the State and district where projects 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 (Kolkata)	33,00,000	33,00,000	33,00,000	Direct through Dhanuka Dhunseri Foundation (DDF)

P.C. Dhandhanias
Chief Executive Officer

Basudeo Beriwalla
Chairman
Corporate Social Responsibility Committee

Annexure II

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	:-	L15500WB1997PLC085661
(ii)	Registration Date	:-	07/10/97
(iii)	Name of the Company	:-	DHUNSERI TEA & INDUSTRIES LIMITED (Formerly Dhunseri Services Ltd.)
(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 , Fax: 91 033 2287 8350/9274 email : mail@dhuseritea.com Website : www.dhunseritea.com
(vi)	Whether listed company	:-	YES
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	:-	MAHESHWARI DATAMATICS PVT. LTD 6, MANGOE LANE, 2ND 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	Growing of Tea	1271	65
2	Manufacture of Tea	1079	25
3	Tea Processing & Blending	10791	10

III. PARTICULARS OF HOLDINGS, SUBSIDIARY AND ASSOCIATE COMPANIES

S. 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, Malwai	2135*	Subsidiary	*100%	2(87)
3	Makandi Tea & Coffee Estate Ltd.* Thunga Estate Makandi, Thyolo Road, Malwai	2868 *	Subsidiary	*100%	2(87)

* The entire share capital of company 2 & 3 above are held by Dhunseri Petrochem & Tea Pte Ltd.

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-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	181476	0	181476	2.5907	181476	0	181476	2.5907	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corporates	3772647	0	3772647	53.8569	4110857	0	4110857	58.6850	4.8282
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	3954123	0	3954123	56.4475	4292333	0	4292333	61.2757	4.8282
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.	759010	0	759010	10.8353	0	0	0	0.0000	-10.8353
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	759010	0	759010	10.8353	0	0	0	0.0000	-10.8353
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	4713133	0	4713133	67.2829	4292333	0	4292333	61.2757	-6.0072
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	240	0	240	0.0034	4192	0	4192	0.0598	0.0564
b) Banks/FI	183494	413	183907	2.6254	431	413	844	0.0120	-2.6133
c) Central Govt	200	0	200	0.0029	200	0	200	0.0029	0.0000
d) State Govt(s)	0	35	35	0.0005	0	35	35	0.0005	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	436221	0	436221	6.2273	0.0000
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	461728	0	461728	6.5915	322013	0	322013	4.5969	-1.9945
Sub-total(B)(1)	1081883	448	1082331	15.4509	763057	448	763505	10.8995	-4.5514
2. Non-Institutions									
a) Bodies Corporates									
i) Indian	201392	2298	203690	2.9078	784736	2278	787014	11.2351	8.3273
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	845487	83348	928835	13.2597	930503	80578	1011081	14.4338	1.1741
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	57726	0	57726	0.8241	99914	0	99914	1.4263	0.6023
c) Others (Specify)									
Non Resident Indians	16177	1618	17795	0.2540	29762	1618	31380	0.4480	0.1939
Qualified Foreign Investor									

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2015]				No of Shares held at the end of the year [As on 31-March-2016]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Custodian of Enemy Property	0	221	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	823	0	823	0.0117	18965		18965	0.2707	0.2590
Trusts	100	31	131	0.0019	240	31	271	0.0039	0.0020
NBFCs Registered with RBI	0	0	0	0.0000	1	0	1	0.0000	0.0000
Foreign Bodies-D R									
Sub-total(B)(2)	1121705	87782	1209487	17.2662	1864342	84771	1949113	27.8248	10.5586
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2203588	88230	2291818	32.7171	2627399	85219	2712618	38.7243	6.0072
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.0000
Grand Total (A+B+C)	6916721	88230	7004951	100.0000	6919732	85219	7004951	100.0000	0.0000

ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the Year as on 01-April-2015			Shareholding at the end of the Year as on 31-March-2016			% 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 LTD	2487755	35.5142	0.0000	3122856	44.5807	0.0000	9.0665
3	YVES LOMBARD ASSET MANAGEMENT AG	759010	10.8353	0.0000	0	0.0000	0.0000	-10.8353
4	NAGA DHUNSERI GROUP LIMITED	615751	8.7902	0.0000	615751	8.7902	0.0000	0.0000
5	PLENTY VALLEY INTRA LIMITED	306091	4.3696	0.0000	0	0.0000	0.0000	-4.3696
6	MINT INVESTMENTS LIMITED	287225	4.1003	0.0000	296425	4.2316	0.0000	0.1313
7	CHANDRA KUMAR DHANUKA KARTA OF SHANKARLAL CHANDRA KUMAR (HUF)	80000	1.1420	0.0000	80000	1.1420	0.0000	0.0000
8	CHANDRA KUMAR DHANUKA C/o MRIGANK DHANUKA TRUST	28000	0.3997	0.0000	0	0.0000	0.0000	-0.3997
9	CHANDRA KUMAR DHANUKA C/o SHREE SHALIGRAM TRUST	9400	0.1342	0.0000	9400	0.1342	0.0000	0.0000
10	CHANDRA KUMAR DHANUKA C/o SEW BHAGWAN & SONS	886	0.0126	0.0000	886	0.0126	0.0000	0.0000
11	CHANDRA KUMAR DHANUKA	9104	0.1300	0.0000	9104	0.1300	0.0000	0.0000
12	MRIGANK DHANUKA	23184	0.3310	0.0000	23184	0.3310	0.0000	0.0000
13	MRIGANK DHANUKA C/o AMAN DHANUKA TRUST	8000	0.1142	0.0000	18000	0.2570	0.0000	0.1428
14	MRIGANK DHANUKA C/o AAYAN DHANUKA TRUST	0	0.0000	0.0000	18000	0.2570	0.0000	0.2570
15	TRIMPLEX INVESTMENTS LIMITED	57625	0.8226	0.0000	57625	0.8226	0.0000	0.0000
16	MADHUTING TEA PRIVATE LIMITED	18200	0.2598	0.0000	18200	0.2598	0.0000	0.0000
17	ARUNA DHANUKA	16502	0.2356	0.0000	16502	0.2356	0.0000	0.0000
18	TARULIKA KHAITAN C/o TARUGREVE TRUST	4000	0.0571	0.0000	4000	0.0571	0.0000	0.0000
19	TARULIKA KHAITAN	2400	0.0343	0.0000	2400	0.0343	0.0000	0.0000
	Total	4713133	67.2829	0.0000	4292333	61.2757	0.0000	-6.0072

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

Sl No	Name	Shareholding at the beginning of the year (01.04.2015)/end of the year (31.03.2016)		Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	YVES LOMBARD ASSET MANAGEMENT AG					
	At the beginning of the year - 01/04/2015	759010	10.8353			
	As on 30/06/2015 - Transfer			-589010	170000	2.4269
	As on 03/07/2015 - Transfer			-170000	0	0.0000
	At the end of the year - 31/03/2016				0	0.0000
2	DHUNSERI INVESTMENTS LIMITED					
	At the beginning of the year - 01/04/2015	2487755	35.5142			
	As on 03/07/2015 - Transfer			329010	2816765	40.2111
	As on 16/10/2015 - Transfer			306091	3122856	44.5807
	At the end of the year - 31/03/2016				3122856	44.5807
3	NAGA DHUNSERI GROUP LIMITED					
	At the beginning of the year - 01/04/2015	615751	8.7902	No change		
	At the end of the year - 31/03/2016				615751	8.7902
4	PLENTY VALLEY INTRA LIMITED					
	At the beginning of the year - 01/04/2015	306091	4.3696			
	As on 09/10/2015 - Transfer			-306091	0	0.0000
	At the end of the year - 31/03/2016				0	0.0000
5	TRIMPLEX INVESTMENTS LIMITED					
	At the beginning of the year - 01/04/2015	57625	0.8226	No change		
	At the end of the year - 31/03/2016				57625	0.8226
6	MADHUTING TEA PRIVATE LIMITED					
	At the beginning of the year - 01/04/2015	18200	0.2598	No change		
	At the end of the year - 31/03/2016				18200	0.2598
7	MINT INVESTMENTS LIMITED					
	At the beginning of the year - 01/04/2015	287225	4.1003			
	As on 24/04/2015 - Transfer			9200	296425	4.2316
	At the end of the year - 31/03/2016				296425	4.2316
8	CHANDRA KUMAR DHANUKA KARTA OF SHANRKARLAL CHANDRA KUMAR					
	At the beginning of the year - 01/04/2015	80000	1.1420	No change		
	At the end of the year - 31/03/2016				80000	1.1420
9	CHNDRA KUMAR DHANUKA					
	At the beginning of the year - 01/04/2015	9104	0.1300	No change		
	At the end of the year - 31/03/2016				9104	0.1300
10	CHANDRA KUMAR DHANUKA C/o MRIGANK DHANUKA					
	At the beginning of the year - 01/04/2015	28000	0.3997			
	As on 01/01/2016 - Transfer			-28000	0	0.0000
	At the end of the year - 31/03/2016				0	0.0000
11	CHNDRA KUMAR DHANUKA C/o SHREE SHALIGRAM TRUST					
	At the beginning of the year - 01/04/2015	9400	0.1342	No change		
	At the end of the year - 31/03/2016				9400	0.1342
12	CHNDRA KUMAR DHANUKA C/o SEW BHAGWAN & SONS					
	At the beginning of the year - 01/04/2015	886	0.0126	No change		
	At the end of the year - 31/03/2016				886	0.0126

SI No	Name	Shareholding at the beginning of the year (01.04.2015)/end of the year (31.03.2016)		Increase/ Decrease in shareholding	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
13	MRIGANK DHANUKA					
	At the beginning of the year - 01/04/2015	23184	0.3310	No change		
	At the end of the year - 31/03/2016				23184	0.3310
15	MRIGANK DHANUKA C/o AMAN DHANUKA TRUST					
	At the beginning of the year - 01/04/2015	8000	0.1142		8000	0.1142
	As on 22/02/2016 - Transfer			10000	18000	0.2570
	At the end of the year - 31/03/2016				18000	0.2570
16	MRIGANK DHANUKA C/o AAYAN DHANUKA TRUST					
	At the beginning of the year - 01/04/2015	0	0.0000		0	0.0000
	As on 22/02/2016 - Transfer			18000	18000	0.2570
	At the end of the year - 31/03/2016				18000	0.2570
17	ARUNA DHANUKA					
	At the beginning of the year - 01/04/2015	16502	0.2356	No change		
	At the end of the year - 31/03/2016				16502	0.2356
18	TARULIKA KHAITAN C/o TARUGREVE TRUST					
	At the beginning of the year - 01/04/2015	4000	0.0571	No change		
	At the end of the year - 31/03/2016				4000	0.0571
19	TARULIKA KHAITAN					
	At the beginning of the year - 01/04/2015	2400	0.0343	No change		
	At the end of the year - 31/03/2016				2400	0.0343

iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SI No	Name	Shareholding at the beginning of the year (01.04.2015)/end of the year (31.03.2016)		Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DSP MERRILL LYNCH LTD				
	01/04/15	0	0.0000		
	30/06/2015 - Transfer	589010	8.4085	589010	8.4085
	03/07/2015 - Transfer	-419010	5.9816	170000	2.4269
	10/07/2015 - Transfer	-170000	2.4269	0	0.0000
	31/03/16	0	0.0000	0	0.0000
2	GENERAL INSURANCE CORPORATION OF INDIA				
	01/04/15	144000	2.0557		
	31/03/16			144000	2.0557
3	LIFE INSURANCE CORPORATION OF INDIA				
	01/04/15	68605	0.9794		
	31/03/16			68605	0.9794
4	THE NEW INDIA ASSURANCE COMPANY LIMITED				
	01/04/15	188236	2.6872		
	31/03/16			188236	2.6872

Sl No	Name	Shareholding at the beginning of the year (01.04.2015)/end of the year (31.03.2016)		Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	PARAM CAPITAL RESEARCH PRIVATE LIMITED				
	01/04/15	35000	0.4996		
	31/03/16			35000	0.4996
6	UNITED INDIA INSURANCE COMPANY LIMITED				
	01/04/15	35380	0.5051		
	31/03/16			35380	0.5051
7	WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LTD				
	01/04/15	183000	2.6124		
	31/03/16			183000	2.6124
8	GYAN TRADERS LIMITED *				
	01/04/15	0	0.0000		
	03/07/2015 - Transfer	83537	1.1925	83537	1.1925
	31/03/16			83537	1.1925
9	PAN EMAMI COSMED LTD *				
	01/04/15	0	0.0000		
	03/07/2015 - Transfer	170000	2.4269	170000	2.4269
	10/07/2015 - Transfer	170000	2.4269	340000	4.8537
	31/03/16	340000	4.8537	340000	4.8537
10	MAVERICK SHARE BROKERS LIMITED #				
	01/04/15	18211	0.2600		
	10/04/2015 - Transfer	1180	0.0168	19391	0.2768
	17/04/2015 - Transfer	-60	0.0009	19331	0.2760
	22/05/2015 - Transfer	-12756	0.1821	6575	0.0939
	29/05/2015 - Transfer	-9	0.0001	6566	0.0937
	05/06/2015 - Transfer	-1000	0.0143	5566	0.0795
	31/07/2015 - Transfer	-928	0.0132	4638	0.0662
	07/08/2015 - Transfer	-1152	0.0164	3486	0.0498
	14/08/2015 - Transfer	-148	0.0021	3338	0.0477
	04/09/2015 - Transfer	5	0.0001	3343	0.0477
	30/09/2015 - Transfer	-100	0.0014	3243	0.0463
	27/11/2015 - Transfer	6	0.0001	3249	0.0464
	04/12/2015 - Transfer	-6	0.0001	3243	0.0463
	11/12/2015 - Transfer	-138	0.0020	3105	0.0443
	18/12/2015 - Transfer	80	0.0011	3185	0.0455
	31/12/2015 - Transfer	100	0.0014	3285	0.0469
	01/01/2016 - Transfer	-35	0.0005	3250	0.0464
	04/03/2016 - Transfer	-150	0.0021	3100	0.0443
	31/03/16	3100	0.0443	3100	0.0443
11	ASHA MUKUL AGRAWAL				
	01/04/15	22708	0.3242		
	22/05/2015 - Transfer	12756	0.1821	35464	0.5063
	31/07/2015 - Transfer	5000	0.0714	40464	0.5776
	27/11/2015 - Transfer	10516	0.1501	50980	0.7278
	04/12/2015 - Transfer	1741	0.0249	52721	0.7526
	31/03/16	52721	0.7526	52721	0.7526

SI No	Name	Shareholding at the beginning of the year (01.04.2015)/end of the year (31.03.2016)		Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	LINCOLN P COELHO				
	01/04/15	25000	0.3569		
	31/03/16			25000	0.3569
13	INTERNATIONAL FINANCE CORPORATION				
	01/04/15	461728	6.5915		
	25/12/2015 - Transfer	-7498	0.1070	454230	6.4844
	31/12/2015 - Transfer	-28047	0.4004	426183	6.0840
	01/01/2016 - Transfer	-25888	0.3696	400295	5.7145
	29/01/2016 - Transfer	-24730	0.3530	375565	5.3614
	05/02/2016 - Transfer	-27130	0.3873	348435	4.9741
	12/02/2016 - Transfer	-1663	0.0237	346772	4.9504
	04/03/2016 - Transfer	-3687	0.0526	343085	4.8978
	11/03/2016 - Transfer	-1085	0.0155	342000	4.8823
	18/03/2016 - Transfer	-4024	0.0574	337976	4.8248
	25/03/2016 - Transfer	-9273	0.1324	328703	4.6924
	31/03/2016 - Transfer	-6690	0.0955	322013	4.5969

* Not in the list of Top 10 shareholders as on 01/04/2015 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2016.

Ceased to be in the list of Top 10 shareholders as on 31/03/2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2015.

v) Shareholding of Directors and Key Managerial Personnel : *

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SI No	Name	Shareholding at the beginning [01/Apr/15]/end of the year [31/Mar/16]		Increase/ Decrease in shareholding	Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		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 - 01/04/2015	9104	0.1300	-		
	At the end of the year - 31/03/2016				9104	0.1300
2	MRIGANK DHANUKA - Non Executive Director					
	At the beginning of the year - 01/04/2015	23184	0.3310	-		
	At the end of the year - 31/03/2016				23184	0.3310
3	BASUDEO BERIWAL - Non Executive/ Independent Director					
	At the beginning of the year - 01/04/2015	0	0.0000	-		
	At the end of the year - 31/03/2016				0	0.0000
4	ASHOK KUMAR LOHIA - Non Executive/ Independent Director					
	At the beginning of the year - 01/04/2015	0	0.0000	-		
	At the end of the year - 31/03/2016				0	0.0000
5	NANDINI KHAITAN - Non Executive/ Independent Director					
	At the beginning of the year - 01/04/2015	0	0.0000	-		
	At the end of the year - 31/03/2016				0	0.0000

Sl No	Name	Shareholding at the beginning [01/Apr/15]/end of the year [31/Mar/16]		Increase/ Decrease in shareholding	Cumulative Shareholding during the year [01/Apr/15 to 31/Mar/16]	
		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 - 01/04/2015	0	0.0000	-		
	At the end of the year - 31/03/2016				0	0.0000
7	RAJIV KUMAR SHARMA - Non Executive Director					
	At the beginning of the year - 01/04/2015	100	0.0000	-		
	At the end of the year - 31/03/2016				100	0.0000
8	PRAKASH CHANDRA DHANDHANIA - Chief Executive Officer					
	At the beginning of the year - 01/04/2015	0	0.0000	-		
	At the end of the year - 31/03/2016				0	0.0000
9	BHAVANA KHEMKA - Chief Financial Officer					
	At the beginning of the year - 01/04/2015	0	0.0000	-		
	At the end of the year - 31/03/2016				0	0.0000
10	R MAHADEVAN IYER					
	At the beginning of the year - 01/04/2015	6	0.0000	-		
	At the end of the year - 31/03/2016				6	0.0000

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1268.51	2267.97		3536.48
(ii) Interest due but not paid	-	-		-
(iii) Interest accrued but not due	-	8.49		8.49
Total (i + ii + iii)	1268.51	2276.46	-	3544.97
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	(798.5)	(946.52)	-	(1745.02)
Net Change	(798.5)	(946.52)	-	(1745.02)
Indebtedness at the end 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

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 (in ₹)
		C K DHANUKA Managing Director *
1.	Gross Salary	9,33,667
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	21,57,257
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	---
2.	Stock Option	---
3.	Sweat Equity	---
4.	Commission - as % of profit	65,00,000
	- others, Specify..	
5.	Others, please specify#	3,07,223
	Total (A)	98,98,147
	Ceiling as per the Act	2,02,58,010

* Appointed as Managing Director of the Company for 5 years w.e.f. 9th September, 2014.

Includes Companies contribution to Provident Fund, Superannuation & Gratuity Fund.

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹)
		B Bajoria	B D Beriwalla	A K Lohia	Ms. N Khaitan	
3.	Independent Directors					
	Fee for attending board meetings	40,000	40,000	10,000	30,000	1,20,000
	Fee for attending committee meetings	25,000	40,000	10,000	10,000	85,000
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Total (1)					2,05,000
4.	Other Non-Executive Director	M Dhanuka	R K Sharma	---	---	----
	Fee for attending board meetings	20,000	30,000	--	--	50,000
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Total (2)					50,000
	Total B = (1+2)					2,55,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					-

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

Sl. No.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL			Total Amount (in ₹)
		P C Dhandhanias Chief Executive Officer	Mrs. B Khemka Chief Financial Officer	R Mahadevan Company Secretary	
1.	Gross salary	13,50,769	8,51,250	5,67,000	27,69,019
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961				0.00
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	39,600	34,300	1,53,590	2,27,490
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit	-	-	-	-
	- others, Specify..	-	-	-	-
5.	Others, please specify #	3,39,200	1,06,750	92,232	5,38,182
	Total	17,29,569	9,92,300	8,12,822	35,34,691

Includes Company's contribution to Provident Fund, Gratuity Fund & Superannuation Fund (where applicable)

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 Directors Report for the year ended 31st March, 2016

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 at Dhunseri, Bahipookri & Hatijan Tea Estates. It has helped to contain the cost at Hatijan Tea Estate.

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

Coal saver has been installed in coal-fired heaters for maintaining the temperature and optimizing the consumption of coal.

Supply of high calorific value coal from North-East Coalfields (Marghereta) with less ash content has been supplied to maintain the temperature and also 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.

The energy conservation measures have resulted in saving of about 3% in overall electricity consumption. It is expected that there will be further saving in coal consumption with full year operation of 2016-17.

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

Interlocking of machineries to reduce the connected load in Dilli to save energy cost.

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

Tuflite 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 invested an amount of about ₹83.12 lakhs towards capital equipment comprising of energy efficient electric motors, sprinklers, generator sets, electrical installations etc. mainly for electricity generation and irrigation at the tea estates.

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 2016.

(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 therefor: 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.

Gramin Krishi Unnayan Prakaalpa is implemented for agricultural development as well as overall improvement of socio-economic development of the area through various tea associations.

C. Foreign Exchange earnings and outgo

Earnings in foreign exchange: ₹38.19 lac (previous year ₹51.79 lac)

Foreign exchange outgo: ₹5.85 lac (previous year ₹14.02 lac)

Annexure IV

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

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Employed throughout the Financial Year 2015-16 :

Name	Age	Qualification	Designation	Date of Commencement of employment / Experience (Years)
Mr. C.K. Dhanuka	62	B.Com	Managing Director	41 years

Gross Remuneration	Previous Employment	Previous Designation
₹98,98,147	Nil	Executive Chairman, Dhunseri Petrochem limited

Employed for a part of the Financial Year 2015-16: **None**

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st day of March, 2016

[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, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2016 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 (as applicable till 30th of November, 2015) ;
- b. The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable w.e.f. 01.12.2015).
- 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 Directors, Non-Executive Directors, Independent Directors and a Woman Director**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Agreements and/or SEBI (LODR), 2015.

Adequate Notice is given to all Directors to schedule the Board Meetings. Agenda 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 meeting and for meaningful participation at the meeting.

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 period under review the Company has ventured into additional new business activities being consumer products i.e. ATTA & SALT under its brand name "LAL GHORA" on trial basis, initially in the State of Rajasthan.

For K. Arun & Co
Company Secretaries

Arani Guha
Partner
C.P. No.: 9573

Place : Kolkata
Date : 14.05.2016

Corporate Governance

In accordance with Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015")

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, 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:

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. Beriwal	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 19th AGM of the Company.

b) Attendance of Directors at Board Meetings and at the 18th AGM and other directorships / committee memberships held

During the financial year 2015-16, the Board met four times on the following dates:

29th May, 2015, 14th August, 2015; 9th November, 2015; and 2nd February, 2016.

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

Name of Director	No. of Board meetings attended	Whether attended last AGM on 14.08.2015	Number of Directorships #	Other Committee Memberships@	
				Member	Chairman
Mr. C.K. Dhanuka	4	Yes	9	3	1
Mr. M. Dhanuka	2	No	8	1	-
Mr. R.K. Sharma	3	Yes	4	-	-
Mr. B.D. Beriwalla	4	Yes	4	-	-
Mr. B. Bajoria	4	Yes	8	2	-
Mr. A.K. Lohia	1	No	4	-	-
Ms. N. Khaitan	3	Yes	10	-	-

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	9,33,667	21,57,257	3,07,223	65,00,000	98,98,147

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:

(In ₹)

Name of Director	Sitting Fees		Salary, Perquisites & Commission	Total
	Board Meetings	Committee Meetings		
Mr. M. Dhanuka*	20,000	-	-	20,000
Mr. R.K. Sharma	30,000	-	-	30,000
Mr. B.D. Beriwalla	40,000	40,000	-	80,000
Mr. B. Bajoria	40,000	25,000	-	65,000
Mr. A.K. Lohia	10,000	10,000	-	20,000
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 relative of a partner of the firm.

Details of shares held by non-executive directors in the Company as on 31st March, 2016:

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

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- 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:

- 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.
- Recommending for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - 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.

- Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Modified opinion (s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 - 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.
 - Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the listed entity with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - 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.
 - Discussion with internal auditors of any significant findings and follow up there on.
 - 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.
 - 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 is the Compliance Officer to the Audit Committee.

The Audit Committee met four times during the year i.e. on 29th May, 2015, 14th August, 2015, 9th November, 2015 and 2nd February, 2016.

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. Beriwal	4	4
Mr. C.K. Dhanuka	4	4
Mr. A.K. Lohia	4	1
Mr. B Bajoria	4	4

4. Nomination & Remuneration Committee

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

Mr. Basudeo Beriwal 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;
- 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 29th December, 2015. 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 authorized for ensuring appropriate induction and training program 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 ₹10,000/- each as sitting fees for attending board meetings and ₹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 2nd February, 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

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 Compliance Officer to the Committee.

Two meetings of the Stakeholders Relationship Committee were held during the year i.e on 14th August, 2015 and 2nd February, 2016.

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

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

There were no complaints received by the Company during the year. 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 22nd September, 2015.

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

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

The Committee met three times during the year i.e. on 30th July, 2015, 29th October, 2015 18th January, 2016.

Name	No. of meetings held	No. of meetings attended
Mr. C.K. Dhanuka	3	3
Mr. M. Dhanuka	3	2
Mr. R. K. Sharma	3	2

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
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
2012-13	-do-	16th September, 2013	11.30 a.m.	None

Details of Special Resolution passed at the 17th AGM held on 08.09.2014

"RESOLVED that pursuant to the provisions of Section 163(1) of the Companies Act, 1956 (the Act), the Register of Members, Index of Members, Register and Index of Debenture holders and copies of all Annual Returns under Sections 159 and 160 of the Act together with copies of the certificates and documents required to be annexed thereto pursuant to Sections 160 and 161 of the Act or any or more of them may, instead of being kept at the Registered Office of the Company, be kept at the Office of the Company's Registrar and Share Transfer Agents, Maheshwari Datamatics Private Limited at 6, Mangoe Lane, 2nd Floor, Kolkata-700001."

In addition to the above, the following Special Resolutions were also passed at an EGM held on 3rd February, 2014.

i) Change of Name:

"RESOLVED THAT subject to approval of the Central Government pursuant to section 21 of the Companies Act, 1956 the name of the Company be changed from "DHUNSERI SERVICES LIMITED" to "DHUNSERI TEA & INDUSTRIES LIMITED".

ii) Alteration of the Memorandum of Association:

"RESOLVED THAT the objects Clause III of the Memorandum of Association of the Company be and is hereby altered by substituting the Main objects under Clause III sub point (A) with the following clauses:

(A) THE MAIN OBJECTS OF THE COMPANY ARE:

1. To acquire by lease, grant, assignment, transfer or otherwise any tea gardens or plantations, land and premises in India or elsewhere from any person or persons, syndicate or Corporation, or Company, Government or Municipality, and to perform and fulfill the conditions thereof.
2. To carry on the business of planters, growers and manufacturers of tea, coffee, cinchona, cocoa and other natural products of any kind, ship-owners, bankers, engineers and merchants in all their branches, and any other business which can conveniently be carried on in connection with such business or any of

them, including the purchasing and selling of timber, and the manufacture and sale of tea boxes and other articles, and the clearing, planting, irrigation and cultivation of lands, the making of roads, railways, tramways, canals and aqua-ducts for the development of the Company's property, and the convenient carrying on of its business.

3. To buy, sell, trade and deal in tea, coffee and other plants and seed and rice and other food and requisites for labourers and others employed on estates, and generally to trade and deal in any way in the production, manufacture and purchase and sale of tea, coffee and other products, whether in the raw or manufactured state or any other goods produce, wares, merchandise, articles and things of any kind and to lay out, construct, take upon lease or otherwise acquire, convert, alter, modify, equip, maintain and work tea plantations and tea factories at any place or places in India or elsewhere with the necessary works, buildings, erection, machinery, implements and articles required for the same".

iii) Adoption of new Articles of Association:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the regulations contained in the printed document submitted before this meeting and duly initialed by the Chairman of the Meeting for the purpose of identification be and is hereby approved and adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association."

9.2 Postal ballot and postal ballot process:

No resolution was put through postal ballot during the year.

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 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) During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- c) The Company 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-subsidiary.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

Management Discussion and Analysis Report for the year under review in accordance with Chapter IV of SEBI (LODR) Regulations,

2015 is presented in a separate section forming part of the Annual Report.

14. Shareholders' information

a) Annual General Meeting

Thursday, 11th August, 2016 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 Friday, 5th August, 2016 to Thursday, 11th August, 2016 (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 Monday, 8th August, 2016 and ends at 5.00 p.m. on Wednesday, 10th August, 2016. During this period, members of the Company holding shares on the cut-off date i.e. 4th August, 2016, either in physical form or in dematerialized form, may cast their vote electronically. Members may send the duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer Mr. Kailash Chandra Dhanuka, at the Registered Office of the Company, not later than Wednesday, 10th August, 2016. 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.

d) Dividend payment

The dividend, if declared, shall be paid /credited on or after 16th August, 2016.

e) Registered office:

'Dhunseri House', 4A, Woodburn Park, Kolkata – 700020
CIN : L15500WB1997PLC085661
Ph. No.: 2280-1950 (five lines)
Fax No. 91 33 2287-8995/8350
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 2016-17.

- g) i) **Exchange Scrip Code** : BSE: Scrip Code: 538902
: NSE: Symbol: DTIL
- ii) **Demat ISIN number for NSDL and CDSL** : INE341R01014

h) Stock market price data for the year 2015-16:

Period 2015 – 16	BSE		NSE		BSE Sensex	
	High	Low	High	Low	High	Low
April	245.00	201.00	237.00	201.95	29094.61	26897.54
May	246.30	202.90	256.00	201.75	28071.16	26423.99
June	250.00	205.00	257.15	196.20	27968.75	26307.07
July	266.00	207.30	288.00	211.05	28578.33	27416.39
August	264.50	200.00	260.00	200.00	28417.59	25298.42
September	243.40	197.50	244.95	205.55	26471.82	24833.54
October	270.00	228.00	281.00	228.70	27618.14	26168.71
November	285.00	245.00	281.45	236.00	26824.30	25451.42
December	350.00	267.20	349.00	266.55	26256.42	24867.73
January	341.80	247.10	331.00	241.05	26197.27	23839.76
February	270.00	213.00	259.00	210.35	25002.32	22494.61
March	259.80	227.00	257.90	225.65	25479.62	23133.18

i) Registrars and Share Transfer Agents:

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata-700 001
Phone: 2243-5029, 2243-5809, Fax : 91 33 2248-4787
Email : mdpl@cal.vsnl.net.in

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.

k) Shareholding pattern and distribution of shares as on 31.03.2016

Shareholding Pattern			Distribution Schedule				
Category	No of shares held	Percentage %	Range	Shareholders		Shares	
				No	%	No.	%
Promoters	4292333	61.28	1- 500	21640	98.26	664467	9.49
Financial Institutions, Mutual Funds, Banks & Insurance Companies	441492	6.30	501 – 1000	198	0.90	148907	2.13
			1001 – 2000	83	0.38	117206	1.67
			2001 – 3000	37	0.17	93028	1.33
Bodies Corporate	787014	11.24	3001 – 4000	18	0.08	62713	0.89
			4001 – 5000	5	0.02	21793	0.31
Indian public	1110996	15.85	5001 – 10000	14	0.06	97890	1.40
NRI's & Others	373117	5.33	10001 & above	28	0.13	5798947	82.78
	7004951	100.00		22023	100.00	7004951	100.00

l) Dematerialisation of shares and liquidity

As on 31st March, 2016, 98.78% of the Company's share capital representing 69,19,732 shares were held by 18,958 shareholders in dematerialised form and the balance 1.22% of the Company's share capital representing 85,219 shares were held by 3,065 shareholders in physical form. Some of the physical share certificates returned undelivered to the Company is in the process of being dematerialised and credited to unclaimed demat suspense account being 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's tea packeting 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 2016-17 (Tentative)

Board meetings

Unaudited results for quarter ending June 30, 2016
- By 14th August, 2016

Unaudited results for quarter ending September 30, 2016
- By 14th November, 2016

Unaudited results for quarter ending December 31, 2016
- By 14th February 2017

Audited results for year ending March 31, 2017
- By 30th May, 2017

Annual General Meeting for the year ending 31st March, 2017
- August, 2017

q) Grievance Redressal Division / Compliance Officer

Sri. R. Mahadevan
Company Secretary and Compliance Officer
Dhunseri Tea & Industries Ltd.
Dhunseri House, 4A, Woodburn Park, Kolkata - 700 020
Phone – (033) 2280-1950 (5 lines)
Fax – (033) 2287-8995/8350
E-mail: mail@dhunseriinvestments.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,
27th May, 2016

C. K. Dhanuka
Chairman of the Board

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, 2016 received from the members of the Board and the senior management personnel, a declaration of compliance with the Company's Code of Conduct.

Kolkata,
27th May, 2016

P.C. Dhandhan
Chief Executive Officer

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, 2016 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

Avijit Mukherji

Partner

Membership No: 056155

Place: Kolkata

Date: 27th May, 2016

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, 2016, 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, 2016, 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.
 - (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 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) 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, 2016 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, 2016.
- 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, 2016.

For Lovelock & Lewes

Firm Registration Number: 301056E
Chartered Accountants

Avijit Mukerji
Partner

Kolkata
May 27, 2016

Membership Number: 056155

Annexure 'A' to Independent Auditors' Report

Referred to in paragraph 10(f) 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, 2016

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, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lovelock & Lewes

Firm Registration Number: 301056E

Chartered Accountants

Avijit Mukerji

Partner

Membership Number: 056155

Kolkata

May 27, 2016

Annexure 'B' to Independent Auditors' 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, 2016.

- 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 13B(ii) to the standalone financial statements.

Particulars	Class of asset	Gross Block (₹ in Lakhs)	Net Block (₹ in Lakhs)
2 Plots of Freehold land at Assam	Freehold Land	1561.86	1561.86
8 Plots of Leasehold land	Leasehold Land	18252.64	18252.64
4 Premises of Buildings	Building	206.18	167.23
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 explanation 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, deposit linked insurance, income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (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, 2016 which have not been deposited on account of a dispute, is as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act 1961	Income Tax	77.77	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 applicable 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 on an overall basis 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 offices 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 the 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 Number: 301056E
Chartered Accountants

Avijit Mukerji
Kolkata
May 27, 2016
Partner

Membership Number: 056155

Balance Sheet as at 31st March, 2016

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Note	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	700.50	700.50
Reserves and surplus	3	44,389.70	43,215.73
		45,090.20	43,916.23
Non-current Liabilities			
Long-term borrowings	4	17.49	21.43
Deferred tax liabilities (Net)	5	714.34	804.61
Other Long-term liabilities	6	86.13	84.22
Long-term provisions	7	34.08	29.37
		852.04	939.63
Current Liabilities			
Short-term borrowings	8	1,763.50	3,101.11
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		1,333.32	1,048.05
Other current liabilities	10	1,133.45	1,255.53
Short-term provisions	11	1,109.97	910.12
		5,340.24	6,314.81
Total		51,282.48	51,170.67
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	34,451.83	35,129.29
Capital work-in-progress		–	4.25
Non-current investments	13	9,053.18	6,934.09
Long-term loans and advances	14	528.09	272.79
		44,033.10	42,340.42
Current Assets			
Current investments	15	0.37	1,628.79
Inventories	16	2,332.70	1,683.87
Trade receivables	17	2,996.94	2,426.16
Cash and bank balances	18	262.46	1,389.23
Short-term loans and advances	19	1,567.05	1,606.31
Other current assets	20	89.86	95.89
		7,249.38	8,830.25
Total		51,282.48	51,170.67

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

The notes are an integral part of these financial statements

For and on behalf of the Board

For **Lovelock & Lewes**

Firm Registration No. 301056E

Chartered Accountants

Avijit Mukerji

Partner

Membership No. 056155

Place : Kolkata

Date : May 27, 2016

Bhavana Khemka

Chief Financial officer

R. Mahadevan

Company Secretary

C. K. Dhanuka

Managing Director

Basudeo Beriwal

Director

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

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Note	Year ended 31.03.2016	Year ended 31.03.2015
Revenue from Operations	23	18,309.02	16,421.92
Other Income	24	342.62	297.54
Total Revenue		18,651.64	16,719.46
Expenses			
Cost of materials consumed	25	3,464.95	3,397.29
Changes in inventories of finished goods	26	(510.41)	(320.62)
Employee benefits expense	27	5,779.18	4,644.42
Finance costs	28	280.71	358.98
Depreciation expense	37	538.56	612.36
Other expenses	29	6,318.19	5,955.14
Total Expenses		15,871.18	14,647.57
Profit before tax		2,780.46	2,071.89
Tax expense:			
Current Tax			
For current year		615.00	435.00
Adjustment for earlier years		33.98	(67.99)
Deferred tax		(90.27)	(51.76)
Profit for the year after tax		2,221.75	1,756.64
Earnings per Equity Share [Nominal value per share: ₹10/- each]			
(1) Basic (₹)	31	31.72	25.08
(2) Diluted (₹)	31	31.72	25.08

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

The notes are an integral part of these financial statements

For and on behalf of the Board

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

Avijit Mukerji
Partner
Membership No. 056155

Place : Kolkata
Date : May 27, 2016

Bhavana Khemka
Chief Financial officer

R. Mahadevan
Company Secretary

C. K. Dhanuka
Managing Director

Basudeo Beriwalla
Director

Notes to Financial Statements for the year ended 31st March, 2016

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 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 to the Act.

b) Tangible Assets

Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment losses if any except in case of Freehold Land and Leasehold Land and Estate Development which are carried at revalued amount. Cost comprises cost of acquisition/construction and subsequent improvement thereto including taxes and duties, freight and other incidental expenses relating to acquisition and installation.

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

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 except for certain categories of Plant and Equipment wherein the estimated useful life has been determined to be 3 years.

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.

(ii) Compensated Absences

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the end of the year

Notes to Financial Statements for the year ended 31st March, 2016

Note : 1 SIGNIFICANT ACCOUNTING POLICIES (contd...)

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 and current tax liabilities are offset

Notes to Financial Statements for the year ended 31st March, 2016

Note : 1 SIGNIFICANT ACCOUNTING POLICIES (contd...)

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 for the year ended 31st March, 2016

Note : 2 **SHARE CAPITAL** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Authorised		
7,500,000 (Previous Year 7,500,000) Equity Shares of ₹ 10/- each	750.00	750.00
Issued, Subscribed and Fully Paid up		
7,004,951 (Previous Year 7,004,951) Equity Shares of ₹ 10/- each	700.50	700.50
Total	700.50	700.50

(a) Reconciliation of number of shares

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	7,004,951	700.50	50,000	5.00
Less Shares cancelled as per the Scheme of Arrangement (Refer Note 41)	–	–	50,000	5.00
Add Shares allotted as per the Scheme of Arrangement (Refer Note 41)	–	–	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.

Name of the Shareholders	As at 31.03.2016		As at 31.03.2015	
	No. of Shares held	%	No. of Shares held	%
Dhunseri Investments Limited	3,122,856	44.58%	2,487,755	35.51%
Naga Dhunseri Group Limited	615,751	8.79%	615,751	8.79%
Yves Lombard Asset Management A G	–	0.00%	759,010	10.84%
International Finance Corporation	–	0.00%	461,728	6.59%

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

Notes to Financial Statements for the year ended 31st March, 2016

Note : 3 RESERVES AND SURPLUS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
General Reserve #		
Balance as at the beginning of the year	13,753.22	–
Add: Amount arisen pursuant to Scheme of Arrangement (Refer Note 41)	–	13,253.22
Add: Transfer from Surplus in Statement of Profit and Loss	1,000.00	500.00
Balance as at the end of the year	14,753.22	13,753.22
Revaluation Reserve		
Balance as at the beginning of the year	28,837.99	–
Add: Addition during the year (Refer Note 40)	–	28,837.99
Less : Adjustment during the year (Refer Note 12 (c))	373.30	–
Balance as at the end of the year	28,464.69	28,837.99
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	624.52	0.20
Add : Profit for the year	2,221.75	1,756.64
Less : Appropriations		
Transfer to General Reserve	1,000.00	500.00
Proposed Dividend on Equity Shares for the year	560.40	525.37
Dividend Distribution Tax	114.08	106.95
Balance as at the end of the year	1,171.79	624.52
Total	44,389.70	43,215.73

General Reserve is a free reserve not meant for meeting any specific liability, contingency or commitment.

Note : 4 LONG-TERM BORROWINGS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Secured		
Term Loans		
From Banks	17.49	11.58
From other parties	–	9.85
Total	17.49	21.43

Sl. No.	Nature of Security	Terms of Repayment
(a)	Term Loan from Banks amounting to ₹ Nil (Previous Year ₹ 400 lakhs) is secured by way of first pari-passu charge on certain Fixed Assets of the Company (including Capital work in progress & equitable mortgage on the tea estates) along with the working capital bankers and further by any other security as may be stipulated by the Bank.	Repayable in 19 Quarterly installments commencing from second quarter of the year ended 31.03.2012.
(b)	Term Loans (Auto Loans) from bank and other parties amounting to ₹ 33.17 lakhs (Previous Year ₹ 35.38 lakhs) are secured by hypothecation of respective vehicles.	Equated Monthly Installments beginning from the month subsequent to taking of the Loans.
(c)	Figures indicated in (a) and (b) above includes current maturities of respective borrowings which have been presented in Note 10.	

Notes to Financial Statements for the year ended 31st March, 2016

Note : 5 DEFERRED TAX LIABILITIES (NET) (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Deferred Tax Liability		
Depreciation	748.49	830.30
	748.49	830.30
Deferred Tax Asset		
Items allowable for tax purposes on payment	34.15	25.69
	34.15	25.69
Net Deferred Tax Liabilities	714.34	804.61 #

After considering liability transferred pursuant to Scheme of Arrangement ₹ Nil (Previous Year ₹ 856.37 lakhs) Refer Note 41

Note : 6 OTHER LONG TERM LIABILITIES (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Security Deposits	50.00	50.00
Lease Equalisation Account	36.13	34.22
Total	86.13	84.22

Note : 7 LONG TERM PROVISIONS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits		
Provision for Leave Encashment	34.08	29.37
Total	34.08	29.37

Note : 8 SHORT TERM BORROWINGS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Secured		
Loan repayable on demand from Banks	436.84	833.14
	436.84	833.14
Unsecured		
Other Loans from Banks	1,326.66	2,267.97
	1,326.66	2,267.97
Total	1,763.50	3,101.11

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.

Notes to Financial Statements for the year ended 31st March, 2016

Note : 9 **TRADE PAYABLES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Total outstanding dues of Micro and Small Enterprises [Refer (a) below]		–
Total outstanding dues of creditors other than Micro and Small Enterprises	1,333.32	1048.05
Total	1,333.32	1,048.05

(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** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Current Maturities of Long-term debts (Refer Note 4)	15.68	413.95
Interest accrued but not due on borrowings	3.28	8.49
Amount due to a related party	–	7.44
Liability for Capital Goods	29.33	27.09
Statutory Dues	183.16	135.39
Unpaid Dividends [Refer (a) below]	10.75	9.07
Advance From Customers	28.83	13.82
Employee Benefits	862.42	640.28
	1,133.45	1,255.53

(a) There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956.

Note : 11 **SHORT TERM PROVISIONS** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits		
Provision for Leave Encashment	37.03	17.08
Provision for Gratuity	322.11	203.59
Others		
Provision for Central Income Tax [(Net of Advance Tax of ₹ 906.90 lakhs) (Previous Year ₹ 352.59 lakhs)]	76.35	57.13
Provision for Proposed Dividend	560.40	525.37
Provision for Tax on Dividend	114.08	106.95
	1,109.97	910.12

Notes to Financial Statements for the year ended 31st March, 2016

Note : 12 TANGIBLE ASSETS													₹ in lakhs	
Particulars		GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As at 31.03.2015	Assets Taken over pursuant to Scheme of Arrangement (Refer Note 41)	Amount adjusted on Revaluation (Refer Note c)	Additions	Disposal	As at 31.03.2016	Upto 31.03.2015	Assets Taken over pursuant to Scheme of Arrangement (Refer Note 41)	For the year ended 31.03.2015 (Refer Note 37)	Sale or Adjustments	Total up to 31.03.2016	As at 31.03.2016	As at 31.03.2015	
Freehold Land (Refer Note a(i) below	1,561.86	-	-	-	-	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	28,731.94	
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	2,101.43	
Plant and Equipment	6,100.95	-	-	122.43	-	6,223.38	3,923.87	-	270.93	-	4,194.80	2,028.58	2,177.08	
Office Equipment	22.81	-	-	0.15	-	22.96	8.95	-	-	-	8.95	14.01	13.86	
Furniture and Fixtures	546.82	-	-	3.77	-	550.59	248.92	-	39.22	-	288.14	262.45	297.90	
Vehicles	704.10	-	-	65.52	9.43	760.19	458.88	-	56.78	5.58	510.08	250.11	245.22	
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	35,129.29	
Previous Year	-	11,521.21	28,837.99	505.63	1.00	40,863.83	-	5,122.18	612.36	-	5,734.54	35,129.29	-	

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 (Refer Note No 41) 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 excluding Estate Development of ₹ 10106.00 lakhs, 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 ₹ 206.18 lakhs (Previous Year 206.18 Lakhs) and ₹ 167.23 lakhs (Previous Year ₹ 170.48 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 2016.
- Gross Block and Accumulated Depreciation includes building on rented land amounting to ₹ 521.80 lakhs (Previous Year ₹ 521.80 lakhs) and ₹ 57.10 lakhs (Previous Year ₹ 48.83 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.

Notes to Financial Statements for the year ended 31st March, 2016

Note : 13 **NON-CURRENT INVESTMENTS** (valued at cost unless otherwise stated) (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Face Value	No of shares		Book Value	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
A. Trade Investments					
In Equity Instruments-Unquoted Fully Paid-up					
(i) Investment in Subsidiary					
Dhunseri Petrochem & Tea Pte Ltd.	US\$ 1	11,527,551	11,180,816	6,429.96	6,197.39
(ii) Others					
Mira Estates Private Limited	10	600,000	–	60.00	–
B. Other Investments					
(i) Investment Property					
Freehold Land (Refer Note 42)				773.39	736.70
(ii) Investment Property includes ₹ 396.35 lakhs (Previous Year ₹ 476.97 lakhs) being Freehold land which were acquired pursuant to the Scheme of Arrangement (Refer Note 41) 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	29,949	–	316.38	–
Kotak Mahindra Bank Limited	5	33,522	–	227.36	–
PVR Limited	10	49,245	–	405.26	–
Schneider Electric Infrastructure Limited	2	99,990	–	172.84	–
Force Motors Limited	10	8,740	–	230.35	–
Capital First Limited	10	81,596	–	324.84	–
Take Solutions Limited	1	70,794	–	112.80	–
				1,789.83	–
				9,053.18	6,934.09
Aggregate amount of Quoted Investments (Book Value)				1,789.83	–
Market value of Quoted Investments (Market Value)				1,733.77	–
Aggregate amount of Unquoted Investments (Book Value)				6,489.96	6,197.39
Aggregate amount of Investment Property				773.39	736.70

Note : 14 **LONG TERM LOANS AND ADVANCES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Unsecured, considered good		
Capital Advances	114.03	0.20
Deposit with National Bank for Agriculture and Rural Development	145.21	
Prepaid Expenses	16.51	33.02
Loans to Staff	11.33	
Security Deposits		
With Related Party	61.50	61.50
With Others	179.51	178.07
Total	528.09	272.79

Notes to Financial Statements for the year ended 31st March, 2016

Note : 15 **CURRENT INVESTMENTS** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Face Value	No of units		Amount	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Current Investments-other than Trade					
(Unquoted) (Valued at cost or market value whichever is lower)					
Investments in Mutual Funds					
HDFC FMP 370D April 2014-Regular Growth	₹ 10	–	16,284,150	–	1,628.42
HDFC Top 200 Fund-Growth	₹ 10	147	147	0.37	0.37
				0.37	1,628.79
Aggregate of Unquoted Investments (Book Value)				0.37	1,628.79

Note : 16 **INVENTORIES** (At lower of cost and net realisable value) (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Finished goods [(includes in transit ₹ 93.06 lakhs) Previous Year ₹ 135.67 lakhs]	1,273.29	762.88
Stores and spares including packing materials [(includes in transit ₹ 13.73 lakhs) Previous Year ₹ 29.09 lakhs]	1,059.41	920.99
	2,332.70	1,683.87

Note : 17 **TRADE RECEIVABLES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	5.10	5.25
Other debts	2,991.84	2,420.91
	2,996.94	2,426.16

Note : 18 **CASH AND BANK BALANCES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Cash and Cash Equivalents		
Balances with Banks		
Current Accounts	165.95	675.71
Cash Credit Accounts	69.97	685.12
Unpaid Dividend Accounts (Refer (a) below)	10.75	9.07
Cash on hand	15.79	14.58
	262.46	1,384.48
Other Bank Balances		
Fixed Deposits (with maturity greater than 3 months but less than 12 months)	–	4.75
	–	4.75
	262.46	1,389.23

(a) Earmarked for payment of Dividend

Notes to Financial Statements for the year ended 31st March, 2016

Note : 19 **SHORT-TERM LOANS AND ADVANCES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Unsecured, considered good		
Loans and advances to a related party (Refer Note 32)	191.77	619.10
Deposit with Government Authorities	3.94	3.94
Deposit with National Bank for Agriculture and Rural Development	600.00	294.21
Others		
Loans to Staff	16.60	18.73
Loan to other*	95.00	12.00
Advance to Suppliers/Service Providers	459.88	412.40
Prepaid Expenses	113.07	139.14
Advance Agricultural Income Tax [(net of provision for tax ₹ 416.55 lakhs)(Previous Year ₹ 316.55 lakhs)]	86.79	106.79
	1,567.05	1,606.31

*Loan given for business purpose and carries an interest rate of 8.5%. (Previous Year Loan given to another party for business purposes and carried an interest rate of 10.5%)

Note : 20 **OTHER CURRENT ASSETS** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Unsecured, considered good		
Interest accrued on Deposits	58.22	54.98
Receivables against sale of assets	31.64	40.91
	89.86	95.89

Note : 21 **CONTINGENT LIABILITIES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Claims against the Company not acknowledged as debts		
Income Tax-matter under dispute	77.77	77.77
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.		
b) Standby Letters of Credit issued in connection, with loan taken by Dhunseri Petrochem & Tea Pte Limited, a wholly owned subsidiary, from a bank	6,468.78	–
c) The Company does not expect any reimbursements in respect of the above contingent liabilities.		

Note : 22 **PROPOSED DIVIDEND** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
On Equity Shares of ₹ 10 each		
b) Amount of dividend proposed for the year	560.40	525.37
c) Dividend per Equity Share (₹)	8.00	7.50

Notes to Financial Statements for the year ended 31st March, 2016

Note : 23 REVENUE FROM OPERATIONS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Sale of Products		
Tea	11,766.45	10,315.05
Packet Tea	6,447.40	6,064.16
Atta	47.54	–
Other Operating Revenues		
Tea Subsidy-Orthodox	12.02	15.11
Tea Subsidy-Replantation	32.69	27.60
Tea Subsidy-Quality Upgradation	2.92	–
	18,309.02	16,421.92

Note : 24 OTHER INCOME (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Interest Income	80.04	149.38
Profit on Sale of Current Investments	221.35	128.42
Rent Received	1.20	3.16
Dividend Received	3.43	–
Liabilities no longer required written back	4.61	2.21
Insurance Claim	22.33	5.17
Foreign Exchange Gain	2.56	–
Miscellaneous Income	7.10	9.20
	342.62	297.54

Note : 25 COST OF MATERIALS CONSUMED (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Raw Materials		
Green leaf (All indigenous)-purchased and consumed	3,408.91	3,397.29
Wheat (All indigenous)-purchased and consumed	56.04	–
	3,464.95	3,397.29

Note : 26 CHANGES IN INVENTORIES OF FINISHED GOODS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
(Increase)/Decrease in Stock		
Stock at the end of year		
Finished Goods - Tea	1,273.29	762.88
Stock at the beginning of the year		
Finished Goods - Tea	762.88	442.26 @
Net(Increase)/Decrease in Stock	(510.41)	(320.62)

@ Acquired as per Scheme of Arrangement (Refer Note 41)

Notes to Financial Statements for the year ended 31st March, 2016

Note : 27 EMPLOYEE BENEFITS EXPENSE (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Salaries and Wages	4,660.62	3,827.32
Contribution to provident and other funds	757.04	531.94
Staff welfare expenses	361.52	285.16
	5,779.18	4,644.42

Note : 28 FINANCE COSTS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Interest expense	212.23	339.98
Other borrowing costs	20.66	19.00
Applicable net loss on foreign currency transactions and translation	47.82	–
	280.71	358.98

Note : 29 OTHER EXPENSES (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Consumption of stores and spare parts including Packing Material (all indigenous)	1,517.90	1,419.02
Power and fuel	1,721.34	1,774.50
Rent	152.97	162.51
Repairs and Maintenance		
Plant and Machinery	215.88	204.89
Buildings	85.56	70.30
Others	363.21	361.07
Insurance	48.93	46.56
Rates and Taxes	80.54	106.50
Freight, delivery and shipping charges	376.50	374.47
Brokerage and commission on sales	180.09	157.16
Other Selling Expenses	472.46	234.20
Net loss on foreign currency transactions/translations	–	88.90
Cess on Tea	150.52	147.86
Job Charges	–	76.45
Advertisements	164.30	130.87
Travelling and Conveyance	167.52	145.08
Loss on sale on fixed assets	1.11	–
Expenditure towards Corporate Social Responsibility activities	33.00	20.00
Miscellaneous Expenses (Refer (a) below)	586.36	434.80
	6,318.19	5,955.14
(a) Includes Auditors' remuneration paid/payable for the year as follows:		
Audit Fees	17.50	15.00
Limited Review	4.50	–
For other matters (Certificates, etc.)	2.85	10.00
Reimbursement of expenses [excluding service tax ₹ 3.86 lakhs (Previous Year ₹ 0.02 lakhs)]	0.26	0.60
	25.11	25.60

Notes to Financial Statements for the year ended 31st March, 2016

Note : 30 **EMPLOYEE BENEFITS EXPENSE** (All amounts in ₹ lakhs unless otherwise indicated)

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 ₹ 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.

a) Change in Defined Benefit Obligation during the year ended 31st March 2016

	31.03.2016 Funded	31.03.2015 Funded
Present value of Defined Benefit Obligation as at 1st April, 2015.	1,450.24	1,216.32 @
Acquisition Cost	–	10.34
Current Service Cost	122.35	68.54
Interest Cost	112.03	120.00
Benefits Paid	(99.78)	(122.28) **
Actuarial (gain)/loss on Obligation	172.45	157.32
Present value of Defined Benefit Obligation as at 31st March, 2016	1,757.29	1,450.24

(b) Change in Fair Value of Assets during the year ended 31st March 2016

	31.03.2016 Funded	31.03.2015 Funded
Fair Value of Plan Assets as at 1st April, 2015	1,246.65	1,148.10@
Expected Return on Plan Assets	116.87	107.99
Contributions Made	203.59	83.04
Benefits Paid	(99.78)	(122.28) **
Actuarial gain / (loss) on Plan Assets	(32.15)	29.80
Fair value of Plan Assets as at as at 31st March, 2016	1,435.18	1,246.65

(c) Net(Asset)/Liability recognised in the Balance Sheet as at 31st March, 2016

	31.03.2016 Funded	31.03.2015 Funded
Present Value of the Defined Benefit Obligation	1,757.29	1,450.24
Fair value of Plan assets	1,435.18	1,246.65
Net (Asset)/Liability recognised in the Balance Sheet	322.11	203.59

@ Taken over as per Scheme of Arrangement (Refer Note 41)

** Includes ₹ 10 lakhs yet to be transferred from LIC Fund to Transferee Company.

Notes to Financial Statements for the year ended 31st March, 2016

Note : 30

EMPLOYEE BENEFITS EXPENSE

(All amounts in ₹ lakhs unless otherwise indicated)

(d) Expense recognised in the Statement of Profit and Loss for the year ended 31st March, 2016

	31.03.2016 Funded	31.03.2015 Funded
Current Service Cost	122.35	68.54
Interest Cost	112.03	120.00
Expected return on plan assets	(116.87)	(107.99)
Net actuarial (gain)/loss recognised during the year on defined benefit obligations	204.60	112.70
Actuarial (Losses)/Gains on Plan Assets		
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")	322.11	193.25

(e) Major Categories of Plan Assets as a percentage of total plans as at 31st March, 2016

	31.03.2016 Funded	31.03.2015 Funded
Investment with Private Insurance Companies	29.24%	32.53%
Administered by Life Insurance Corporation of India	65.28%	57.24%
Investment in Mutual Fund	0.65%	0.71%
Special Deposits and Bonds	3.32%	6.48%
Others including Bank Balances	1.51%	3.04%

(f) Experience adjustments

	31.03.2016 Funded	31.03.2015 Funded
Defined Benefit Obligation	1,757.29	1,450.24
Fair value of Plan Assets	1,435.18	1,246.65
Status Surplus/(Deficit)	(322.11)	(203.59)
Experience adjustments on Plan Liabilities Gain/(Loss)	84.58	26.71
Experience adjustments on Plan Assets Gain/(Loss)	(32.15)	29.80

(g) Actuarial Assumptions

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Mortality Table	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate
Discount rate	7.80%	8.00%
Salary Escalation rate	6.00%	5.00%
Expected Return on Plan Assets	8.00%	9.00%

(h) Actual Return on Plan Assets

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Actual Return on Plan Assets	78.27 lakhs	137.79 lakhs

Notes to Financial Statements for the year ended 31st March, 2016

Note : 30 EMPLOYEE BENEFITS EXPENSE (All amounts in ₹ lakhs unless otherwise indicated)

- (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 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 ₹ 7.30 lakhs (Previous Year 6.32 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.
- (k) 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 ₹ ₹ 425.95 lakhs (Previous Year ₹ 330.47 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.

Note : 31 EARNINGS PER EQUITY SHARE (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
1. Basic		
a) Earnings attributable to equity shareholders (₹ in lakhs)	2,221.75	1,756.64
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 ₹)	31.72	25.08
2. Diluted		
a) Dilutive potential Ordinary Shares	–	–
b) Diluted Earnings per share [same as in 1 ('c) above] (in ₹)	31.72	25.08

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.

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

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

Others

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

- (4) Naga Dhunseri Group Limited
(5) Trimplex Investments Limited
(6) Mint Investments Limited
(7) Dhunseri Investments Limited
(8) Dhunseri Petrochem Limited

(D) Key Management Personnel

- (9) Mr. C.K.Dhanuka

(E) Relative of Key Management Personnel

- (10) Mr. Mrigank Dhanuka

Notes to Financial Statements for the year ended 31st March, 2016

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

Nature of Transactions/Balances

	31.03.2016 Funded	31.03.2015 Funded
A Subsidiary Company		
Dhunseri Petrochem & Tea Pte. Ltd.		
Investment in Shares	6,429.96	6,197.39
Loan Receivable*	191.77	619.10
Interest Receivable	25.00	40.06
Interest Income	38.19	51.79
B. Group Companies		
Dhunseri Petrochem Limited		
Receivable/(Payable)	–	(7.44)
Trimplex Investments Limited		
Rent and Service Charges	76.57	93.73
Security Deposit Paid	61.50	61.50
Naga Dhunseri Group Limited		
Rent Paid	29.77	29.06
Mint Investments Limited		
Rent and Service Charges	29.97	37.37
Dhunseri Investments Limited		
Rent Paid	28.53	12.60
Job Charges	–	76.45
C. Key Management Personnel		
Mr. C.K. Dhanuka		
Remuneration	98.98	72.24
Commission payable	(65.00)	(49.00)
Rent Received	0.60	0.60
Security Deposit Received	(25.00)	(74.00)
D. Relative of Key Management Personnel		
Mr. M. Dhanuka		
Rent Received	0.60	0.60
Security Deposit Received	(25.00)	(25.00)
Director Fees	0.20	0.20

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

Note : 33 EXPENDITURE IN FOREIGN CURRENCY (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Year endd 31.03.2016	Year endd 31.03.2015
Reimbursement of Stamp Duty	–	14.02
Travelling Expenses	5.85	11.18

Notes to Financial Statements for the year ended 31st March, 2016

Note : 34 EARNINGS IN FOREIGN CURRENCY (All amounts in ₹ lakhs unless otherwise indicated)		
Particulars	Year endd 31.03.2016	Year endd 31.03.2015
Interest	38.19	51.79

Note : 35 RESEARCH AND DEVELOPMENT (All amounts in ₹ lakhs unless otherwise indicated)		
Particulars	Year endd 31.03.2016	Year endd 31.03.2015
Research and Development Expenditure charged to revenue	11.92	12.00

Note : 36 SEGMENT REPORTING		
The Company is engaged in the integrated process of growing, harvesting and sale of loose and packet tea and operates in the domestic market. During the year it had also ventured into marketing of packaged Atta, however the same does not meet the criteria of Reportable Segment as specified under AS-17 of Segment Reporting.		

Note : 37 DEPRECIATION		
The Company has changed its estimate regarding the estimated useful lives of certain fixed assets based on technical evaluation from 15 years to 3 years effective 1st April 2015. Pursuant to the said revision in useful lives for the year ended 31.3.2016 the depreciation expense is higher and profit before tax is lower by ₹ 23 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 ₹ 1,326.66 lakhs (Previous Year ₹ 1267.97 lakhs)		
Loan Given ₹ 191.77 lakhs (Previous Year ₹ 619.10 lakhs)		
Interest Receivable ₹ 25 lakhs (Previous Year ₹ 40.06 lakhs)		
Interest Payable ₹ 3.26 lakhs (Previous Year ₹ Nil)		

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 ₹ 123.20 lakhs (Previous Year ₹ 133.45 lakhs) debited to the Statement of Profit and Loss.		

Note : 40 REVALUATION		
Freehold Land and Leasehold Land & Estate Development located at the ten tea estates of the Company were revalued on April 1, 2014 by Ernst & Young LLP, independent valuer on the bases as set out below:		
Freehold Land - Market Method		
Leasehold Land & Estate Development (or Tea Plantation) - Combination of Market Method and Depreciated Replacement Cost Method.		
The resultant increase in Net Book Value by ₹ 28837.99 lakhs, had been credited to the Revaluation Reserve included under Reserves and Surplus (Note 3).		

Notes to Financial Statements for the year ended 31st March, 2016

Note : 41 SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement (the Scheme), duly sanctioned by the Hon'ble High Court at Calcutta at the hearing held on 7th August, 2014, the Tea Division of Dhunseri Petrochem & Tea Limited (DPTL) engaged in the business of cultivation, production and marketing of tea, together with all its assets, liabilities etc. had been transferred as a going concern by way of demerger to the Company, with effect from the appointed date i.e. 1st April, 2014. Upon filing of the certified copy of the Court Order with the Registrar of Companies on 1st September 2014, the Scheme has become operative on and from the said date.

Accordingly the assets and liabilities of the Tea Division as recorded in the books of account of DPTL as on 1st April, 2014 with changes in values consequent to revaluation, as it was appearing in the books of DPTL, being ignored, amounting to ₹ 20,614.87 lakhs and ₹ 6,661.15 lakhs respectively have been recognized in the books of the Company.

As per the Scheme the Company in consideration of the demerger and transfer of the Tea Division from DPTL issued and allotted to the members of DPTL one equity share of ₹ 10 each in the Company, credited as fully paid up for every 5 equity shares of ₹ 10 each held by them in DPTL. Accordingly 7,004,951 equity shares were issued during the year ended 31st March 2015.

The difference between the assets and liabilities amounting to ₹ 13,953.72 lakhs recorded above as reduced by the aggregate face value of shares amounting to ₹ 700.50 lakhs allotted by the Company was taken to General Reserve. (Refer Note 3)

Further in terms of the Scheme the Company's 50,000 equity shares of ₹ 10 each fully paid up outstanding as at 1st April, 2014 were cancelled upon the issue of new equity shares to the shareholders of DPTL.

Note : 42

Freehold land included under Note 12, includes 6.25 Hectares (Previous Year 6.25 Hectares) of land declared as Private Forest under the provisions of the Maharashtra Private Forest (Acquisition) Act 1975, out of a total of 12.92 Hectares (Previous Year 12.92 Hectares)

Note : 43

Miscellaneous expenses (Refer Note 29) include a donation of ₹20 lakh (Previous Year Nil) for a political purpose to Assam Pradesh Congress Committee.

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 and on behalf of the Board

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

Avijit Mukerji
Partner
Membership No. 056155

Place : Kolkata
Date : May 27, 2016

Bhavana Khemka
Chief Financial officer

R. Mahadevan
Company Secretary

C. K. Dhanuka
Managing Director

Basudeo Beriwal
Director

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

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,780.46	2,071.89
<i>Adjustments for:</i>		
Interest Income	(80.04)	(149.38)
(Profit)/Loss on sale of Investments	(221.35)	(128.42)
Finance Cost	280.71	358.98
Depreciation	538.56	612.36
Liabilities no longer required written back	(4.61)	(2.21)
Dividend Received	(3.43)	–
Unrealized Foreign Exchange Loss/(Gain)	58.28	13.47
Loss on Sale of Assets	1.11	–
Operating Profit before Working Capital Changes	3,349.69	2,776.69
<i>Adjustments for:</i>		
Trade and other receivables	(1,028.05)	(909.77)
Inventories	(648.83)	(295.35)
Trade payables and other liabilities	712.45	778.22
Cash used in operations	2,385.26	2,349.79
Direct Taxes (Paid) / Received	(609.76)	(420.01)
Net Cash from/(used in) Operating Activities	1,775.50	1,929.78
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(345.59)	(419.97)
Loan repaid by subsidiary	427.33	–
Disposal of Fixed Assets	2.74	1.00
Receipt of maturity proceeds of Fixed Deposit with bank	4.75	900.00
Purchase of Current Investments	–	(1,628.42)
Purchase of Non Current Investments	(1,849.84)	–
Investment in shares of Dhunseri Petrochem & Tea Pte Ltd	(232.56)	–
Sale of Current Investments	1,849.77	1,628.42
Receipt of Dividend	3.43	–
Purchase of Investment Property	(36.69)	(631.10)
Interest received	76.80	115.13
Loan given to body corporate	(95.00)	–
Realisation of Loan from Party	12.00	15.00
Net Cash (used in)/from Investing Activities	(182.86)	(19.94)

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

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long term borrowing	(425.21)	(412.59)
Proceeds of Long term Borrowings	23.00	–
Proceeds of Short term Borrowings	3,888.31	4,982.29
Repayment of Short term borrowing	(5,284.19)	(5,402.50)
Interest paid	(285.92)	(360.29)
Dividend Paid	(630.65)	(1.93)
Net Cash used in Financing Activities	(2,714.66)	(1,195.02)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,122.02)	714.82
Cash and Cash Equivalents (Opening balance)	1,384.48	0.09
Add Cash and cash Equivalents acquired pursuant to the Scheme of Arrangement (Refer Note 41)	–	669.57
Cash and Cash Equivalents (Closing balance) (Refer Note 18)	262.46	1,384.48

- 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 and on behalf of the Board

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

Avijit Mukerji
Partner
Membership No. 056155

Place : Kolkata
Date : May 27, 2016

Bhavana Khemka
Chief Financial officer

R. Mahadevan
Company Secretary

C. K. Dhanuka
Managing Director

Basudeo Beriwal
Director



CONSOLIDATED
FINANCIAL STATEMENTS

Independent Auditor's Report

To the members of
Dhunseri Tea & Industries Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Dhunseri Tea & Industries Limited (herein referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"); ([refer Note 1A(i)] to the attached consolidated statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records (herein 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 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 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 financial statements are free from material misstatement.
5. 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 Holding 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 Holding Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have 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 Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the

state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements/financial information of three subsidiaries, whose financial statements/financial information reflect total assets of ₹ 13127.54 lakhs and net asstes of ₹ 2078.07 lakhs as at March 31, 2016, total revenue of ₹ 10027.09 lakhs, net profit of ₹ 347.32 lakhs and net cash flows amounting to ₹ 57.19 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 that:
- 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.
 - In our opinion, proper books of account as required by law maintained by the Holding Company including relevant records relating to the 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.
 - 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.

- 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.
- On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- 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:
 - The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on its consolidated financial position of the Group – Refer Note 22 to the consolidated financial statements.
 - The Group did not have any long-term contracts including derivative contracts as at March 31, 2016.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2016.

For Lovelock & Lewes

Firm Registration Number: 301056E

Chartered Accountants

Avijit Mukerji

Partner

Kolkata

May 27, 2016

Membership Number: 056155

Annexure 'A' to Independent Auditors' Report

Referred to in paragraph 9(f) 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, 2016.

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

- 1) In conjunction of our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Dhunseri Tea & Industries Limited (herein after referred to as "the Holding Company"), as of that date. The other companies in the Group are incorporated outside India.

Management's Responsibility for Internal Financial Controls

- 2) The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on internal controls 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 timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

- 3) Our responsibility is to express an opinion on the Holding 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 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 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 on 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 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 Holding Company, have, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lovelock & Lewes

Firm Registration Number: 301056E

Chartered Accountants

Avijit Mukerji

Partner

Kolkata

May 27, 2016

Membership Number: 056155

Consolidated Balance Sheet as at 31st March, 2016

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Note	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	700.50	700.50
Reserves and surplus	3	39,821.05	40,319.27
		40,521.55	41,019.77
Non-current Liabilities			
Long-term borrowings	4	5,348.77	4,698.21
Deferred tax liabilities (Net)	5	1,431.47	1,664.69
Other Long-term liabilities	6	86.13	84.22
Long-term provisions	7	309.33	218.15
		7,175.70	6,665.27
Current Liabilities			
Short-term borrowings	8	4,439.84	5,259.33
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		2,275.58	2,033.77
Other current liabilities	10	2,216.57	2,664.20
Short-term provisions	11	1,134.06	924.34
		10,066.05	10,881.64
Total		57,763.30	58,566.68
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	42,147.28	44,701.73
Intangible assets	13	1,743.23	1,743.23
Capital work-in-progress		–	4.25
Non-current investments	14	2,623.22	736.70
Long-term loans and advances	15	528.09	239.77
		47,041.82	47,425.68
Current Assets			
Current investments	16	0.37	1,628.79
Inventories	17	3,780.74	3,331.55
Trade receivables	18	4,679.68	3,239.32
Cash and bank balances	19	381.28	1,565.24
Short-term loans and advances	20	1,814.55	1,314.43
Other current assets	21	64.86	61.67
		10,721.48	11,141.00
Total		57,763.30	58,566.68

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

The notes are an integral part of these financial statements

For and on behalf of the Board

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

Bhavana Khemka
Chief Financial officer

C. K. Dhanuka
Managing Director

Avijit Mukerji
Partner
Membership No. 056155

R. Mahadevan
Company Secretary

Basudeo Beriwalla
Director

Place : Kolkata
Date : May 27, 2016

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

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Note	Year ended 31.03.2016	Year ended 31.03.2015
Revenue from Operations	24	27,355.56	26,797.29
Other Income	25	1,284.98	778.69
Total Revenue		28,640.54	27,575.98
Expenses			
Cost of materials consumed	26	3,464.95	3,397.29
Changes in inventories of finished goods	27	(433.02)	(8.75)
Employee benefits expense	28	6,962.15	5,762.53
Finance costs	29	873.03	818.57
Depreciation expense	37	888.78	979.88
Other expenses	30	13,683.49	13,402.33
Total Expenses		25,439.38	24,351.85
Profit before tax		3,201.16	3,224.13
Tax expense:			
Current Tax			
For current year		640.35	435.00
Adjustment for earlier years		37.24	(67.99)
Deferred tax		(7.31)	26.27
Profit for the year after Tax		2,530.88	2,830.85
Earnings per Equity Share: [Nominal value per share: ₹10/- each]			
(1) Basic (₹)	32	36.13	40.41
(2) Diluted (₹)	32	36.13	40.41

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

The notes are an integral part of these financial statements

For and on behalf of the Board

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

Avijit Mukerji
Partner
Membership No. 056155

Place : Kolkata
Date : May 27, 2016

Bhavana Khemka
Chief Financial officer

R. Mahadevan
Company Secretary

C. K. Dhanuka
Managing Director

Basudeo Beriwalla
Director

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 1 GROUP STRUCTURE AND SIGNIFICANT ACCOUNTING POLICIES

A GROUP STRUCTURE

- (i) 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
			31.03.2016
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%

@ Represents subsidiary of DPTPL

- (ii) 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, 2015 with significant transactions of next three months, if any.
- (iii) Pursuant to the Scheme of Arrangement referred to in Note 36, the entire controlling interest in DPTPL had been transferred to the Parent Company with effect from 1st April, 2014.

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 of the Parent Company which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 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 to the Act.

(b) Fixed Assets

(i) Tangible Assets

Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment losses if any except in case of Freehold Land and Leasehold Land and Estate Development of the Parent Company which are carried at revalued amount. Cost comprises cost of acquisition/construction and subsequent improvement thereto including taxes and duties, freight and other incidental expenses relating to acquisition and installation.

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

(ii) Intangible Assets

Intangible assets are stated at cost net of accumulated amortisation and accumulated impairment losses, if any.

Intangible asset is recognised if it is probable that future economic benefits will flow to the Company. Such asset is initially recognised at cost. Subsequent expenditure on such asset is recognised as expense when incurred unless it is probable that the expenditure will enhance its future economic benefits.

(c) Depreciation

Depreciation has been provided using the straight-line method at the rate 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, 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 for the year ended 31st March, 2016

Note : 1 GROUP STRUCTURE AND SIGNIFICANT ACCOUNTING POLICIES (contd...)

In case of certain subsidiaries :

The 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	3-5 years
Furniture and Fixtures	3-7 years
Plant and Equipment	4-25 years
Buildings	6-25 years

(d) 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.

(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 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.

(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.

(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 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.

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 1 GROUP STRUCTURE AND SIGNIFICANT ACCOUNTING POLICIES (contd...)

(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 recognized 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 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.

(l) 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 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.

(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 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

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 1 GROUP STRUCTURE AND SIGNIFICANT ACCOUNTING POLICIES (contd...)

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.

(p) Derivative Instruments

The Group uses derivative financial instruments such as forward exchange contracts, interest rate swaps, etc. to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions, highly probable forecast transactions and firm commitments.

In respect of Forward Exchange Contracts entered into to hedge an existing asset/liability the premium or discount arising at the inception of such contracts is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

Derivative contracts (other than Forward Exchange contracts covered under Accounting Standard 11 on "The Effects of changes in Foreign Exchange Rates") outstanding as at the Balance Sheet date are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of the Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March, 2008.

Any profit or loss arising on cancellation or renewal of derivative instruments are recognised as income or as expense in the Statement of Profit and Loss for the period.

(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.

(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 is recognised in the financial statements as Goodwill.

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 2 **SHARE CAPITAL** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Authorised		
7,500,000 (Previous Year 7,500,000) Equity Shares of ₹10/- each	750.00	750.00
Issued, Subscribed and Fully Paid up		
7,004,951 (Previous Year 7,004,951) Equity Shares of ₹10/- each	700.50	700.50
Total	700.50	700.50

(a) Reconciliation of number of shares

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	7,004,951	700.50	50,000	5.00
Less: Shares cancelled as per the Scheme of Arrangement (Refer Note 36)	–	–	50,000	5.00
Add Shares allotted as per the Scheme of Arrangement (Refer Note 36)	–	–	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.

Name of the Shareholders	As at 31.03.2016		As at 31.03.2015	
	No. of Shares held	%	No. of Shares held	%
Dhunseri Investments Limited	3,122,856	44.58%	2,487,755	35.51%
Naga Dhunseri Group Limited	615,751	8.79%	615,751	8.79%
Yves Lombard Asset Management A G	–	–	759,010	10.84%
International Finance Corporation	–	–	461,728	6.59%

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note No : 3 RESERVES AND SURPLUS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
General Reserve #		
Balance as at the beginning of the year	13,753.22	–
Add: Amount arisen pursuant to Scheme of Arrangement (Refer Note 36)	–	13,253.22
Add: Transfer from Surplus in Statement of Profit and Loss	1,000.00	500.00
Balance as at the end of the year	14,753.22	13,753.22
Revaluation Reserve		
Balance as at the beginning of the year	28,837.99	–
Add: Addition during the year (Refer Note 38)	–	28,837.99
Less : Adjustment during the year {Refer Note 12 (c) }	(373.30)	
Balance as at the end of the year	28,464.69	28,837.99
Foreign Exchange Translation Reserve		
[Refer Note 1(B)(t)]		
Balance as at the beginning of the year	(4,080.28)	–
Add: Amount arisen consequent upon the Scheme of Arrangement (Refer Note 36)	–	(3,869.02)
Add : Arisen during the year	(1,981.32)	(211.26)
Balance as at the end of the year	(6,061.60)	(4,080.28)
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,808.34	0.20
Add: Amount arisen consequent upon the Scheme of Arrangement (Refer Note 36)	–	109.61
Add : Profit for the year	2,530.88	2,830.85
Less : Appropriations		
Transfer to General Reserve	1,000.00	500.00
Proposed dividend on Equity Shares for the year	560.40	525.37
Dividend Distribution Tax	114.08	106.95
Balance as at the end of the year	2,664.74	1,808.34
Total	39,821.05	40,319.27

General Reserve is a free reserve not meant for meeting any specific liability, contingency or commitment.

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 4 LONG-TERM BORROWINGS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Secured		
Term Loans		
From Banks	5,348.77	4,688.36
From other parties	—	9.85
Total	5,348.77	4,698.21

Sl. No.	Nature of Security	Terms of Repayment
(a)	Term Loan from Banks amounting to ₹ Nil (Previous Year ₹ 400 lakhs) is secured by way of first pari-passu charge on certain Fixed Assets of the Holding Company (including Capital work in progress & equitable mortgage on the tea estates) along with the working capital bankers and further by any other security as may be stipulated by the Bank.	Repayable in 19 Quarterly installments commencing from second quarter of the year ended 31.03.2012.
(b)	Term Loans (Auto Loans) from bank and other parties amounting to ₹ 33.17 lakhs (Previous Year ₹ 35.38 lakhs) are secured by hypothecation of respective vehicles.	Equated Monthly Installments beginning from the month subsequent to taking of the Loans.
(c)	Term Loan from Banks amounting to ₹6046.27 Lakhs (Previous Year ₹Nil 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 assets of subsidiary companies incorporated in Malawi.	Repayable in Half Yearly installments commencing from 31.12.2015.
(d)	Term Loan from Banks amounting to ₹Nil (Previous Year ₹5845.97 Lakhs) is secured by pledge of shares of the subsidiary companies incorporated in Malawi and a floating charge against Cash at Bank.	Repayable in Half Yearly installments commencing from 28.02.14.
(e)	Figures indicated in (a) and (d) above includes current maturities of respective borrowings which have been presented in Note 10.	

Note : 5 DEFERRED TAX LIABILITIES (NET) (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Deferred Tax Liability		
- Depreciation	1,670.51	1,846.27
- Others	78.21	156.35
	1,748.72	2,002.62
Deferred Tax Asset		
Items allowable for tax purposes on payment	97.61	147.26
Tax losses #	219.64	190.67
	317.25	337.93
Net Deferred Tax Liabilities @	1,431.47	1,664.69

Expected to be realised against future taxable income

@ After considering net liability transferred pursuant to Scheme of Arrangement ₹Nil/-(Previous Year ₹1716.22 lakhs) (Refer Note 36). Deferred Tax Charge /(Credit) for the year excludes exchange loss of ₹225.91 (Previous Year exchange gain of ₹77.80 lakhs) on account of re-statement of year end deferred tax assets and liabilities.

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 6 OTHER LONG TERM LIABILITIES (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Security Deposits	50.00	50.00
Lease Equalisation Account	36.13	34.22
	86.13	84.22

Note : 7 LONG TERM PROVISIONS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits		
Provision for Leave Encashment	49.78	48.47
Provision for pension and gratuity under defined contributory schemes	259.55	169.68
	309.33	218.15

Note : 8 SHORT TERM BORROWINGS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Secured		
Loan repayable on demand from Banks	3,071.89	2,991.36
	3,071.89	2,991.36
Unsecured		
Other Loans from Banks	1,367.95	2,267.97
	1,367.95	2,267.97
Total	4,439.84	5,259.33

Nature of Security

Loans repayable on demand from Banks amounting to ₹436.83 Lakhs (Previous Year ₹833.15 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 Group and equitable mortgage over the immovable properties by deposit of title deeds of tea estates.

Loans repayable on demand from Banks amounting to ₹1154.33 Lakhs (Previous Year ₹1032.70 Lakhs) are secured by a debenture 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 ₹1480.73 Lakhs (Previous Year ₹1125.51 Lakhs) are secured over the movable and immovable assets of the Makandi Tea and Coffee Estates Limited.

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 9 **TRADE PAYABLES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Total outstanding dues of Micro and Small Enterprises [Refer (a) below]	–	–
Total outstanding dues of creditors other than Micro and Small Enterprises	2,275.58	2,033.77
Total	2,275.58	2,033.77

(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** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Current Maturities of Long-term debts	730.67	1,583.14
Interest accrued but not due on borrowings	15.89	110.54
Amount due to a related party	–	7.44
Unpaid Dividends	10.75	9.07
Advance from Customers	28.83	13.82
Employee Benefits	862.42	640.28
Liability for Capital Goods	29.33	27.09
Statutory Dues	203.90	149.57
Derivative Liability	–	82.43
Others	334.78	40.82
	2,216.57	2,664.20

Note : 11 **SHORT TERM PROVISIONS** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for Employee Benefits		
Provision for Gratuity	322.11	203.59
Provision for Leave Encashment	37.03	17.51
Provision for Gratuity under contributory Scheme	8.31	9.95
	367.45	231.05
Others		
Provision for Income Tax	92.13	60.97
Provision for Proposed Dividend	560.40	525.37
Provision for Tax on Dividend	114.08	106.95
	766.61	693.29
	1,134.06	924.34

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 12 TANGIBLE ASSETS															₹ in lakhs
Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK		
	As at 31.03.2015	Assets Taken over pursuant to Scheme of Arrangement (Refer Note 36)	Amount adjusted on Revaluation (Refer Note c)	Additions	Disposal	Other Adjustment	As at 31.03.2016	Upto 31.03.2015	Assets Taken over pursuant to Scheme of Arrangement (Refer Note 36)	For the year	Disposal	Other Adjustment	Total up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
Freehold Land (Refer Note a(i) below)	2,085.81	-	-	-	-	(127.13)	1,958.68	-	-	-	-	-	-	1,958.68	2,085.81
Leasehold Land & Estate Development (Refer Note a (ii) and c below)	34,074.47	-	(373.30)	831.55	-	(1,468.86)	33,063.86	-	-	-	-	-	-	33,063.86	34,074.47
Buildings (Refer a(iii) & b below)	4,691.40	-	-	51.09	-	(363.98)	4,378.51	1,297.29	-	231.48	-	(61.77)	1,467.00	2,911.51	3,394.11
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	4,349.22
Furniture and Fixtures	612.76	-	-	11.43	-	(17.58)	606.61	286.65	-	46.24	-	(10.60)	322.29	284.32	326.11
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	449.01
Office Equipment	53.22	-	-	4.67	-	(8.32)	49.57	30.22	-	6.38	-	(6.48)	30.12	19.45	23.00
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	44,701.73
Previous Year	-	21,499.89	28,837.99	2,129.13	(1.00)	(1,007.09)	51,458.92	-	5,871.96	979.88	-	(94.65)	6,757.19	44,701.73	-

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 (Refer Note 36) 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:-

- Freehold Land represents two tea estate located at Assam, as on 31st March 2016, acquired through partnership with an HUF/ pursuant to a Scheme of Amalgamation.
- Leasehold Land excluding Estate Development of ₹ 10106.00 lakhs, 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 ₹ 206.18 lakhs (Previous Year 206.18 Lakhs) and ₹ 167.23 lakhs (Previous Year ₹ 170.48 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 2016.

- Gross Block and Accumulated Depreciation includes building on rented land amounting to ₹ 521.80 lakhs (Previous Year ₹ 521.80 lakhs) and ₹ 57.10 lakhs (Previous Year ₹ 48.83 lakhs) respectively.
- 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.

Note : 13 INTANGIBLE ASSETS															₹ in lakhs
Particulars	GROSS BLOCK						DEPRECIATION					NET BLOCK			
	As at 31.03.2015	Assets Taken over pursuant to Scheme of Arrangement (Refer Note 36)	Amount Added on Revaluation (Refer Note 39)	Additions	Disposal	Other Adjustment	As at 31.03.2016	Upto 31.03.2015	Assets Taken over pursuant to Scheme of Arrangement (Refer Note 36)	For the year	Disposal	Other Adjustment	Total up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
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	-	-	-	-	-	-	1,743.23	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 14 **NON-CURRENT INVESTMENTS** (valued at cost unless otherwise stated) (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Face Value	No of shares		Book Value	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
A. Trade Investments					
In Equity Instruments-Unquoted Fully Paid-up					
Mira Estates Private Limited	10	600,000	–	60.00	–
B. Other Investments					
(i) Investment Property					
Freehold Land (Refer Note 42)				773.39	736.70
(ii) Investment Property includes ₹ 396.35 lakhs (Previous Year ₹476.97 Lakhs) being freehold land acquired pursuant to the Scheme of Arrangement (Refer Note 36) 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	29,949	–	316.38	–
Kotak Mahindra Bank Limited	5	33,522	–	227.36	–
PVR Limited	10	49,245	–	405.26	–
Schneider Electric Infrastructure Limited	2	99,990	–	172.84	–
Force Motors Limited	10	8,740	–	230.35	–
Capital First Limited	10	81,596	–	324.84	–
Take Solutions Limited	1	70,794	–	112.80	–
				1,789.83	–
				2,623.22	736.70
Aggregate amount of Quoted Investments (Book Value)				1,789.83	–
Market value of Quoted Investments (Market Value)				1,733.77	–
Aggregate amount of Unquoted Investments (Book Value)				60.00	–
Aggregate amount of Investment Property				773.39	736.70

Note : 15 **LONG TERM LOANS AND ADVANCES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Capital Advances	114.03	0.20
Deposit with National Bank for Agriculture and Rural Development	145.21	–
Prepaid Expenses	16.51	33.02
Loan to Staff	11.33	–
Security Deposits		
With Related Party	61.50	61.50
With Others	179.51	145.05
	528.09	239.77

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 16 **CURRENT INVESTMENTS** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Face Value ₹	No of units		Amount	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Current Investments-other than Trade (Unquoted) (Valued at cost or market value whichever is lower)					
Investments in Mutual Funds					
HDFC FMP 370D April 2014-Regular Growth	10	–	16,284,150	–	1,628.42
HDFC Top 200 Fund-Growth	10	147	147	0.37	0.37
				0.37	1,628.79
Aggregate of Unquoted Investments (Book Value)				0.37	1,628.79

Note : 17 **INVENTORIES** (At lower of cost and net realisable value) (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Finished goods [(includes in transit ₹ 93.06 lakhs) Previous Year ₹ 135.67 lakhs]]	1,612.70	1,179.68
Stores and spares including packing materials [(includes in transit ₹ 13.73 lakhs) Previous Year ₹ 29.09 lakhs]	2,168.04	2,151.87
	3,780.74	3,331.55

Note : 18 **TRADE RECEIVABLES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	5.10	5.25
Other debts	4,674.58	3,234.07
	4,679.68	3,239.32

Note : 19 **CASH AND BANK BALANCES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Cash and Cash Equivalents		
Balances with Banks		
Current Accounts	275.09	847.07
Cash Credit Accounts	71.29	685.82
Unpaid Dividend Account [Refer (a) below]	10.75	9.07
Fixed Deposit	–	1.11
Cash on hand	23.27	17.42
	380.40	1,560.49
Other Bank Balances		
Fixed Deposits (with maturity greater than 3 months but less than 12 months)	0.88	4.75
	0.88	4.75
	381.28	1,565.24

(a) Earmarked for payment of Dividend

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 20 **SHORT-TERM LOANS AND ADVANCES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Unsecured, considered good		
Deposits with Government Authorities	3.94	3.94
Deposit with National Bank for Agriculture and Rural Development	600.00	294.21
Others:		
Loans to Staff	34.26	49.11
Loans to Others*	95.00	12.00
Advance to Suppliers/Service Providers	459.88	412.40
Prepaid Expenses	496.73	375.13
Advance Income Tax	124.74	167.64
	1,814.55	1,314.43

*Loan given for business purpose and carries an interest rate of 8.5%. (Previous Year Loan given to another party for business purposes and carries an interest rate of 10.5%)

Note : 21 **OTHER CURRENT ASSETS** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
Unsecured, considered good		
Interest accrued on Deposits	33.22	20.76
Receivables against sale of assets	31.64	40.91
	64.86	61.67

Note : 22 **CONTINGENT LIABILITIES** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Claims against the Company not acknowledged as debts		
i) Income Tax-matter under dispute	77.77	77.77
ii) Cases which are pending in the courts of Malawi	30.19	8.89
b) Bank Guarantee given for employees		
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.		
c) The Company does not expect any reimbursements in respect of the above contingent liabilities.		

Note : 23 **PROPOSED DIVIDEND** (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	As at 31.03.2016	As at 31.03.2015
On Equity Shares of ₹ 10 each		
b) Amount of dividend proposed for the year	560.40	525.37
c) Dividend per Equity Share (₹)	8.00	7.50

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 24 REVENUE FROM OPERATIONS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Sale of Products		
Tea	17,912.91	17,933.93
Packet Tea	6,447.40	6,064.16
Macadamia Nuts	2,900.08	2,735.80
Atta	47.54	–
Other Operating Revenues		
Sale of Green Leaf	–	20.69
Tea Subsidy- Orthodox	12.02	15.11
Tea Subsidy- Replantation	32.69	27.60
Other Operating Revenues	2.92	–
	27,355.56	26,797.29

Note : 25 OTHER INCOME (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Interest Income	41.84	103.84
Profit on Sale of Current Investments	221.35	128.42
Liabilities no longer required written back	4.61	2.21
Rent Received	1.20	3.16
Dividend Received	3.43	–
Profit on Sale of Fixed Assets	2.26	–
Insurance Claim	120.56	6.76
Consultation Fee	833.98	488.22
Miscellaneous Income	55.75	46.08
	1,284.98	778.69

Note : 26 COST OF MATERIALS CONSUMED (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Raw Materials		
Green leaf (All indigenous)-purchased and consumed	3,408.91	3,397.29
Wheat (All indigenous)-purchased and consumed	56.04	–
	3,464.95	3,397.29

Note : 27 CHANGES IN INVENTORIES OF FINISHED GOODS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
(Increase)/Decrease in Stock		
Stock at the end of year		
Finished Goods - Tea	1,612.70	1,179.68
	1,612.70	1,179.68
Stock at the beginning of the year		
Finished Goods - Tea	1,179.68	1,170.93 @
	1,179.68	1,170.93
Net(Increase)/Decrease in Stock	(433.02)	(8.75)

@ Acquired as per Scheme of Arrangement (Refer Note 36)

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 28 EMPLOYEE BENEFITS EXPENSE (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Salaries and Wages	5,515.36	4,721.05
Contribution to provident and other funds	999.39	655.65
Staff welfare expenses	447.40	385.83
	6,962.15	5,762.53

Note : 29 FINANCE COSTS (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Interest expense	641.47	679.74
Other borrowing costs	183.74	138.83
Applicable net loss on foreign currency transactions and translation	47.82	–
	873.03	818.57

Note : 30 OTHER EXPENSES (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
Consumption of stores and spare parts including Packing Material	4,218.98	4,836.13
Power & Fuel	3,536.00	3,000.31
Rent	164.82	175.17
Repairs and Maintenance		
Plant & Machinery	490.16	464.05
Buildings	108.29	117.27
Others	428.80	441.91
Insurance	156.58	149.37
Rates and Taxes	80.54	106.50
Freight, delivery and shipping charges	1,159.81	1,108.79
Brokerage and commission on sales	250.66	291.51
Other Selling Expenses	472.46	234.20
Net loss on foreign currency transactions/translations	159.37	184.25
Inventory of Raw Materials written off	35.93	7.87
Cess on Tea	190.34	197.90
Job Charges	–	76.45
Advertisements	164.30	130.87
Travelling and Conveyance	225.33	223.27
Loss on sale on fixed assets	1.11	–
Expenditure towards Corporate Social Responsibility activities	33.00	20.00
Miscellaneous Expenses	1,807.01	1,636.51
	13,683.49	13,402.33

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 31 **EMPLOYEE BENEFITS OBLIGATIONS** (All amounts in ₹ lakhs unless otherwise indicated)

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 ₹ 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 (g)(iii) above, based upon which the Parent Company makes annual contributions for Gratuity to the Trust Fund.

a) Change in Defined Benefit Obligation during the year ended 31st March 2016

	31.03.2016 Funded	31.03.2015 Funded
Present value of Defined Benefit Obligation as at 1st April, 2015	1,450.24	1,216.32 @
Acquisition Cost	–	10.34
Current Service Cost	122.35	68.54
Interest Cost	112.03	120.00
Benefits Paid	(99.78)	(122.28) **
Actuarial (gain)/loss on Obligation	172.45	157.32
Present value of Defined Benefit Obligation as at 31st March, 2016	1,757.29	1,450.24

(b) Change in Fair Value of Assets during the year ended 31st March 2016

Fair Value of Plan Assets as at 1st April, 2015	1,246.65	1,148.10 @
Expected Return on Plan Assets	116.87	107.99
Contributions Made	203.59	83.04
Benefits Paid	(99.78)	(122.28) **
Actuarial gain / (loss) on Plan Assets	(32.15)	29.80
Fair value of Plan Assets as at 31st March, 2016	1,435.18	1,246.65

(c) Net(Asset)/Liability recognised in the Balance Sheet as at 31st March, 2016

Present Value of the Defined Benefit Obligation	1,757.29	1,450.24
Fair value of Plan assets	1,435.18	1,246.65
Net (Asset)/Liability recognised in the Balance Sheet	322.11	203.59

@ Taken over as per Scheme of Arrangement (Refer Note 36)

** Includes ₹ 10 lakhs yet to be transferred from LIC Fund to Transferee Company.

(d) Expense recognised in the Statement of Profit and Loss for the year ended 31st March, 2016

Current Service Cost	122.35	68.54
Interest Cost	112.03	120.00
Expected return on plan assets	(116.87)	(107.99)
Net actuarial (gain)/loss recognised during the year on defined benefit obligations	204.60	112.70
Actuarial (Losses)/Gains on Plan Assets		
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")	322.11	193.25

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 31 EMPLOYEE BENEFITS OBLIGATIONS (Contd.,)

(All amounts in ₹ lakhs unless otherwise indicated)

(e) Major Categories of Plan Assets as a percentage of total plans as at 31st March, 2016

	31.03.2016 Funded	31.03.2015 Funded
Investment with Private Insurance Companies	29.24%	32.53%
Administered by Life Insurance Corporation of India	65.28%	57.24%
Investment in Mutual Fund	0.65%	0.71%
Special Deposits and Bonds	3.32%	6.48%
Others including Bank Balances	1.51%	3.04%

(f) Experience adjustments

Defined Benefit Obligation	1,757.29	1,450.24
Fair value of Plan Assets	1,435.18	1,246.65
Status Surplus/(Deficit)	(322.11)	(203.59)
Experience adjustments on Plan Liabilities Gain/(Loss)	84.58	26.71
Experience adjustments on Plan Assets Gain/(Loss)	(32.15)	29.80

(g) Actuarial Assumptions

Mortality Table	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate
Discount rate	7.80%	8.00%
Salary Escalation rate	6.00%	5.00%
Expected Return on Plan Assets	8.00%	9.00%

(h) Actual Return on Plan Assets

Actual Return on Plan Assets	78.27 lakhs	137.79 lakhs
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(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 Holding 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 ₹ 7.30 lakhs (Previous Year ₹ 6.32 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.

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 ₹ 13.91 lakhs (Previous Year ₹ 10.76 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 for the year ended 31st March, 2016

Note : 31 EMPLOYEE BENEFITS OBLIGATIONS (Contd...) (All amounts in ₹ lakhs unless otherwise indicated)

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 ₹ 228.45 lakhs (Previous Year ₹ 112.95 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.

- (k) The Holding 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 ₹ 425.95 lakhs (Previous Year ₹ 330.47 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.

Note : 32 EARNINGS PER EQUITY SHARE (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	For the year endd 31.03.2016	For the year endd 31.03.2015
1. Basic		
a) Earnings attributable to equity shareholders (₹ in lakhs)	2,530.88	2,830.85
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 ₹)	36.13	40.41
2. Diluted		
a) Dilutive potential Ordinary Shares	—	—
b) Diluted Earnings per share [same as in 1 (c) above] (in ₹)	36.13	40.41

Note : 33 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) 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

(B) Key Management Personnel

- (6) Mr. C.K.Dhanuka

(C) Relative of Key Management Personnel

- (7) Mr. Mrigank Dhanuka

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 33 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18 (Contd...)

Nature of Transactions/Balances

	31.03.2016 Funded	31.03.2015 Funded
A Group Companies		
Dhunseri Petrochem Limited		
Receivable/(Payable)	–	(7.44)
For transactions pursuant to the Scheme of Arrangement (Refer Note 36)		
Trimplex Investments Limited		
Rent and Service Charges	76.57	93.73
Receivable/(Payable)	61.50	61.50
Naga Dhunseri Group Limited		
Rent Paid	29.77	29.06
Mint Investments Limited		
Rent and Service Charges	29.97	37.37
Dhunseri Investments Limited		
Rent Paid	28.53	12.60
Job Charges	–	76.45
Key Management Personnel		
Mr. C.K. Dhanuka		
Remuneration	98.98	72.24
Commission payable	(65.00)	(49.00)
Rent Received	0.60	0.60
Receivable/(Payable)	(25.00)	(74.00)
Relative of Key Management Personnel		
Mr. M. Dhanuka		
Rent Received	0.60	0.60
Receivable/(Payable)	(25.00)	(25.00)
Director Fees	0.20	0.20

Note : 34 RESEARCH AND DEVELOPMENT EXPENDITURE (All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Year endd 31.03.2016	Year endd 31.03.2015
Research and Development Expenditure charged to revenue	11.92	12.00

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 ₹ 123.20 lakhs (Previous Year ₹133.45 lakhs) debited to the Statement of Profit and Loss.

Note : 36 SCHEME OF ARRANGEMENT

Pursuant to the Scheme of Arrangement (the Scheme), duly sanctioned by the Hon'ble High Court at Calcutta at the hearing held on 7th August, 2014, the Tea Division of Dhunseri Petrochem & Tea Limited (DPTL) engaged in the business of cultivation, production and marketing of tea, together with all its assets, liabilities etc. including its investment in subsidiaries engaged in cultivation of Tea, Coffee and Macademia Nuts and other Plantation business has been transferred as a going concern by way of demerger to the Parent Company, with effect from the

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 36 SCHEME OF ARRANGEMENT (Contd...)

appointed date i.e. 1st April, 2014. Upon filing of the certified copy of the Court Order with the Registrar of Companies on 1st September 2014, the Scheme had become operative on and from the said date.

Accordingly the assets and liabilities of the Tea Division as recorded in the books of account of DPTL as on 1st April, 2014 with changes in values consequent to revaluation, as it was appearing in the books of DPTL, being ignored, amounting to ₹ 20,614.87 lakhs and ₹ 6,661.15 lakhs respectively had been recognized in the books of the Parent Company.

As per the Scheme the Parent Company in consideration of the demerger and transfer of the Tea Division from DPTL issued and allotted to the members of DPTL one equity share of ₹ 10 each in the Company, credited as fully paid up for every 5 equity shares of ₹ 10 each held by them in DPTL. Accordingly 7,004,951 equity shares have been issued during the year ended 31st March 2015.

The difference between the assets and liabilities amounting to ₹ 13,953.72 lakhs recorded above as reduced by the aggregate face value of shares amounting to ₹ 700.50 lakhs allotted by the Parent Company was taken to General Reserve (Refer Note 3).

"Further in terms of the Scheme the Parent Company's 50,000 equity shares of ₹ 10 each fully paid up outstanding as at 1st April, 2014 were cancelled upon the issue of new equity shares to the shareholders of DPTL.

Note : 37 DEPRECIATION

The Holding Company has changed its estimate regarding the estimated useful lives of certain Plant & Machinery based on technical evaluation from 15 years to 3 years effective 1st April 2015. Pursuant to the said revision in useful lives for the year ended 31.3.2016 the depreciation expense is higher and profit before tax is lower by ₹ 23 lakhs.

Note : 38 REVALUATION

"Freehold Land and Leasehold Land & Estate Development located at the ten tea estates of the Parent Company have been revalued on April 1, 2014 by Ernst & Young LLP, independent valuer on the bases as set out below :

Freehold Land -Market Method

Leasehold Land & Estate Development (Tea Plantation)-Combination of Market Method and Depreciated Replacement Cost Method.

The resultant increase in Net Book Value by ₹ 28837.99 lakhs, has been credited to the Revaluation Reserve included under Reserves and Surplus (Note 3).

Note : 39

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

Nature of the entity	For the year ended 31.03.2016		For the year ended 31.03.2016		For the year ended 31.03.2015		For the year ended 31.03.2015	
	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	94.87	38,443.48	86.28	2,183.56	90.36	37,065.51	62.05	1,756.64
Subsidiaries								
Foreign								
Dhunseri Petrochem & Tea Pte.Ltd	(9.14)	(3,702.23)	25.16	636.80	(9.33)	(3,828.59)	19.93	564.26
Makandi Tea and Coffee Estates Limited	6.38	2,585.97	(10.08)	(255.05)	8.18	3,357.44	15.86	448.86
Kawalazi Estate Company Limited	7.89	3,194.33	(1.36)	(34.43)	10.79	4,425.41	2.16	61.09
TOTAL	100.00	@40521.55	100.00	@2530.88	100.00	@41019.77	100.00	@2830.85

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

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 40 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											(₹ in lakhs)
Particulars		2015-16					2014-15				
		India	Malawi	Segment Total	Unallocated	Total Enterprise	India	Malawi	Segment Total	Unallocated	Total Enterprise
Segment Revenue-Sales to External Customers		18,261.39	9,046.54	27,307.93	–	27,307.93	16,379.21	10,354.68	26,733.89	–	26,733.89
Less: Inter-Segment Revenue		–	–	–	–	–	–	–	–	–	–
Total Segment		18,261.39	9,046.54	27,307.93	–	27,307.93	16,379.21	10,354.68	26,733.89	–	26,733.89
Operating Revenue		47.63	–	47.63	–	47.63	42.71	20.69	63.40	–	63.40
Segment Revenue-Total		18,309.02	9,046.54	27,355.56	–	27,355.56	16,421.92	10,375.37	26,797.29	–	26,797.29
Segment Result		2,759.78	1,051.21	3,810.99	(1,280.11)	2,530.88	2,153.07	1,657.37	3,810.44	(979.59)	2,830.85
Total carrying amount of Segment Assets		41,534.70	12,970.79	54,505.49	3,257.81	57,763.30	40,425.69	14,009.86	54,435.55	4,131.13	58,566.68
Total amount of Segment Liabilities		2,916.40	1,606.33	4,522.73	12,719.02	17,241.75	2,206.33	1,239.88	3,446.21	14,100.70	17,546.91
Total cost incurred during the year to acquire segment assets		242.50	924.80	1,167.30	–	1,167.30	482.75	1,312.39	1,795.14	–	1,795.14
Total amount of depreciation		538.56	350.22	888.78	–	888.78	612.36	367.52	979.88	–	979.88
Total amount of significant non-cash expenses			35.93	35.93		35.93	–	7.87	7.87	–	7.87

The Group does not have any Secondary Segment.

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

Note : 41

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 : 42

Freehold Land included under Note 14, includes 6.25 Hectare of land declared as Private Forest under the provisions of the Maharashtra Private Forest (Acquisition) Act 1975, out of a total of 12.92 Hectares.

Note : 43

Miscellaneous expenses (Refer Note 30) include a donation of ₹ 20 lakh (Previous Year Nil) for a political purpose to Assam Pradesh Congress Committee.

Note : 44

Previous period / years figures have been regrouped and rearranged wherever necessary.

For and on behalf of the Board

For **Lovelock & Lewes**

Firm Registration No. 301056E

Chartered Accountants

Avijit Mukerji

Partner

Membership No. 056155

Place : Kolkata

Date : May 27, 2016

Bhavana Khemka

Chief Financial officer

R. Mahadevan

Company Secretary

C. K. Dhanuka

Managing Director

Basudeo Beriwal

Director

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

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,201.16	3,224.13
<i>Adjustments for:</i>		
Interest Income	(41.84)	(103.84)
Profit on sale of Current Investments	(221.35)	(128.42)
Finance Cost	873.03	818.57
Depreciation	888.78	979.88
Liabilities no longer required written back	(4.61)	(2.21)
Unrealized Foreign Exchange Loss	282.07	645.07
Dividend Received	(3.43)	–
(Profit)/ Loss on Sale of Assets	(2.26)	–
Inventory written off	35.93	7.87
Operating Profit before Working Capital Changes	5,007.48	5,441.05
<i>Adjustments for:</i>		
Trade and other receivables	(2,065.60)	(1,090.63)
Inventories	(485.13)	(91.38)
Trade payables and other liabilities	971.50	689.18
Cash generated operations	3,428.25	4,948.22
Direct Taxes (Paid) / Received	(603.53)	(433.12)
Net Cash from Operating Activities	2,824.72	4,515.10
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,270.40)	(1,732.35)
Disposal of Fixed Assets	18.35	1.00
Receipt of maturity proceeds of Fixed Deposit with bank	4.75	900.00
Investment in Fixed Deposit	(0.88)	–
Purchase of Non-Current Investments	(1,849.84)	–
Purchase of Current Investments	–	(1,628.42)
Sale of Current Investments	1,849.77	1,628.42
Purchase of Investment Property	(36.69)	(631.10)
Interest received	29.37	103.11
Loan to a party	(95.00)	–
Realisation of Loan from a party	12.00	15.00
Receipt of Dividend	3.43	–
Net Cash used in Investing Activities	(1,335.14)	(1,344.34)

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

(All amounts in ₹ lakhs unless otherwise indicated)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term borrowing	223.29	–
Repayment of Long term borrowings	(425.21)	(932.13)
Proceeds from Short term borrowing	4,010.12	4,950.43
Repayment of Short term borrowings	(4,887.88)	(5,712.50)
Dividend Paid	(630.64)	(1.93)
Interest paid	(967.69)	(717.83)
Net Cash used in Financing Activities	(2,678.01)	(2,413.95)
D. Exchange Difference on Translation of Foreign Currency Cash and Cash Equivalents	8.34	(5.44)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)	(1,180.09)	751.37
Cash and Cash Equivalents (Opening balance)	1,560.49	0.09
Add Cash and cash Equivalents acquired pursuant to the Scheme of Arrangement (Refer Note 36)	–	809.03
Cash and Cash Equivalents (Closing balance) (Refer Note 19)	380.40	1,560.49

- 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 The previous year figures have not been presented as the Consolidated Financial Statements have been prepared for the first time.

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

For and on behalf of the Board

For **Lovelock & Lewes**

Firm Registration No. 301056E

Chartered Accountants

Avijit Mukerji

Partner

Membership No. 056155

Place : Kolkata

Date : May 27, 2016

Bhavana Khemka

Chief Financial officer

R. Mahadevan

Company Secretary

C. K. Dhanuka

Managing Director

Basudeo Beriwalla

Director

FORM AOC-1

Statement Containing Silent 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)

Sl. No.	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	31.12.2015	USD	1.0000	115.28	19.36	231.04	231.04	-	-	9.22	0.05	9.17	-	100	Singapore
			INR	66.3260	6,442.95	1,283.75	15,324.02	15,323.96	-	-	599.09	3.26	595.84	-	100	Singapore
2	MAKANDI TEA AND COFFEE ESTATES LTD	31.12.2015	MALAWI KWACHA	640.345	138.62	25,526.07	53,880.68	53,880.68	-	38,176.27	(557.41)	914.64	(1,472.05)	-	-	Malawi
			USD	1.0000	0.52	39.56	84.14	84.14	-	77.78	(2.04)	1.86	(3.91)	-	-	Malawi
			INR	66.3260	34.37	2,623.94	5,580.88	5,580.88	-	4,989.57	(132.76)	119.54	(252.30)	-	-	Malawi
3	KAWALAZI ESTATE COMPANY LIMITED	31.12.2015	MALAWI KWACHA	640.345	339.84	29,700.75	53,043.05	53,043.05	-	36,178.78	183.64	(85.91)	269.55	-	-	Malawi
			USD	1.0000	1.27	45.80	82.84	82.84	-	73.71	(0.70)	(0.18)	(0.53)	-	-	Malawi
			INR	66.3260	84.26	3,037.71	5,494.12	5,494.12	-	4,728.50	(45.65)	(11.23)	(34.42)	-	-	Malawi

For and on behalf of the Board

Bhavana Khemka
Chief Financial officer

C. K. Dhanuka
Managing Director

Place : Kolkata
Date : May 27, 2016

R. Mahadevan
Company Secretary

Basudeo Beriwal
Director



DHUNSERI TEA & INDUSTRIES LIMITED
(Formerly known as Dhunseri Services Limited)

CIN:L15500WB1997PLC085661

Regd. Office: Dhunseri House, 4A, Woodburn Park, Kolkata-700020

Phone: 2280-1950(5 Lines); Fax: 91-33-2287 8350 / 9274

Website: www.dhunseritea.com • E-mail: mail@dhunseritea.com

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting (AGM) of the Members of DHUNSERI TEA & INDUSTRIES LIMITED will be held on Thursday, the 11th day of August, 2016 at 'Kala Kunj', Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata 700017 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements (including audited Consolidated Financial Statements) for the financial year ended 31st March, 2016 and the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend of Rs.8.00 per equity share for the financial year ended 31st March, 2016.
3. To appoint a director in place of Mr. Rajiv Kumar Sharma (DIN 05197101) who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of M/s. Lovelock & Lewes, Chartered Accountants, Kolkata (Firm Registration No.301056E) for the year 2016-17 (as approved by the Members at the 17th Annual General Meeting as Statutory Auditors' of the Company, to hold office until the conclusion of 22nd Annual General Meeting) and that the Board of Directors be and are hereby authorised to fix their remuneration as recommended by the audit committee for the financial year ending 31st March, 2017.

SPECIAL BUSINESS:

5. To ratify the remuneration of the Cost Auditor for the financial year ending 31st March, 2017 and in this regard to consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. Mani & Co, Cost Accountants (Firm Registration No. 000004), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, amounting to Rs.1.50 lac (Rupees One lac and fifty thousand only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

By Order of the Board
For **DHUNSERI TEA & INDUSTRIES LIMITED**

Kolkata,
27th May, 2016

R. MAHADEVAN
Company Secretary
& Compliance Officer

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the 19th Annual General Meeting is annexed hereto.
 2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed hereto. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
 3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 5th August, 2016 to Thursday, 11th August, 2016 (both days inclusive).
 4. The Dividend for the financial year ended 31st March, 2016, as recommended by the Board, if approved at the AGM, will be paid on or after Tuesday, 16th August, 2016 to those Members whose name appears in the Register of Members of the Company as on 11th August, 2016.
 5. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
 6. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to the Company's Registrar & Share Transfer Agent M/s. Maheshwari Datamatics Private Limited, 6 Mangoe Lane, 2nd Floor, Kolkata-700001.
 7. The details of the director seeking re-appointment under Item No.3 of this Notice is annexed hereto.
 8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting their email address either to the Company Secretary or to M/s Maheshwari Datamatics Pvt. Ltd. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
 9. The Notice of AGM, Annual Report and Admission Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Admission Slip etc. are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Admission Slip etc. in electronic mode are requested to print the Admission Slip and submit a duly filled in Admission Slip at the Registration Counter at the AGM. The Admission slip shall also be made available at the venue of the meeting.
 10. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 4th August, 2016 i.e. the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.
- Members who do not have access to e-voting facility may complete and send the Ballot Form enclosed with the Notice of the AGM, so as to reach the Scrutinizer, Mr. Kailash Chandra Dhanuka (FCS-2204; CP-1247), Practising Company Secretary, at the Registered Office of the Company, not later than Wednesday, 10th August, 2016. The instructions for filling the Ballot Form are given on the Form.
- The members may cast their votes on electronic voting system from a place other than the venue of the meeting (i.e remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Monday, 8th August, 2016 and will end at 5.00 p.m. on Wednesday, 10th August, 2016. In addition, the facility for physical voting shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting or through Ballot form, shall be eligible to vote at the AGM. The Company has appointed Mr. Kailash Chandra Dhanuka (FCS-2204; CP-1247), Practising Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

PROCEDURE FOR REMOTE E-VOTING:

1. The Company has entered into an arrangement with

National Securities Depository Limited (NSDL) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

(a) In case of Members receiving an e-mail from NSDL:

- (i) Open the PDF file 'DTIL remote e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
- (ii) Launch an internet browser and open <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login.
- (iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click on 'Login'.
- (v) Password change menu will appear. Change the Password with a new Password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- (vi) Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
- (vii) Select 'EVEN' of Dhunseri Tea & Industries Limited.
- (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once you have confirmed your vote on the resolution, you cannot modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter, along with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by an e-mail at dhanuka419@yahoo.co.in with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders receiving physical copy of the Notice of AGM and Admission Slip

- (i) Initial Password is provided, as follows, at the bottom of the Admission Slip.

(E-Voting Event Number)	USER ID	PASSWORD
104123	-	-

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xii) mentioned above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website <https://evoting.nsdl.com> or call on toll free number: 1800-222-990.
- III. The voting rights shall be as per the number of equity shares held by the Member(s) as on Thursday, 4th August, 2016, being the cut off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- IV. Members who have acquired shares after the despatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at evoting@nsdl.co.in or mdpldc@yahoo.com. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free No. 1800-222-990.
- V. The results of the electronic voting shall be declared after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the Company's website www.dhunseritea.com and on the website of NSDL www.evoting.nsdl.com immediately after the results are declared. The Company shall simultaneously forward the result to BSE and NSE and to the Stock Exchanges where the shares of the Company are listed.
11. In case of joint holders, attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
12. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
13. The unpaid and unclaimed dividend account of the tea division of erstwhile Dhunseri Petrochem & Tea Limited for the year 2008-09 which was transferred to the Company upon demerger of the Tea Division is available on the Company's website www.dhunseritea.com.
14. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed /claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
15. Members are requested to contact either the company Secretary or M/s. Maheshwari Datamatics Private Limited for

encashing the unclaimed dividends standing to the credit of their account.

16. Members may communicate either with the Company Secretary or with the Company's Registrar and Share Transfer Agent for redressal of queries.
17. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical

form can submit their PAN details to either to the Company or to M/s. Maheshwari Datamatics Private Limited .

18. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Admission Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Admission Slip and hand it over at the Registration Counter at the venue.
19. Members desiring any information relating to the accounts are requested to write to the Company Secretary well in advance so as to enable the management to keep the information ready.

Details of director seeking re-appointment in the forthcoming Annual General Meeting [Information pursuant to Regulations 36(3) & 26(4) of SEBI (LODR) 2015]

Name of Director	RAJIV KUMAR SHARMA
DIN	05197101
Date of Birth	07.04.1965
Date of Appointment	09.09.2014
Expertise in specific Functional areas	Mr. Rajiv Kumar Sharma is a commerce graduate from University of Calcutta, and a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. Mr. R. K. Sharma has a consistent and comprehensive academic track record. Mr. Sharma has close to 3 decades of experience in the field of finance, accounts, taxation, secretarial, contract negotiation etc. He is associated with the Dhunseri Group for close to 20 years
Qualifications	B.Com; FCA; FCS
Directorship held in other Companies	Dhunseri Petrochem Ltd Dhunseri Infrastructure Ltd Dhunseri Petglobal Ltd Egyptian Indian Polyester Co. SAE Makandi Tea & Coffee Estates Ltd Kawalazi Estate Company Ltd
Membership/ Chairmanship of Committees in other Public companies	Dhunseri Petrochem Ltd -Share Transfer Committee-Member -Investment Committee-Member -Risk Management Committee-Member
Shareholdings in the Company	100

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Mani & Co, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested in this Resolution.

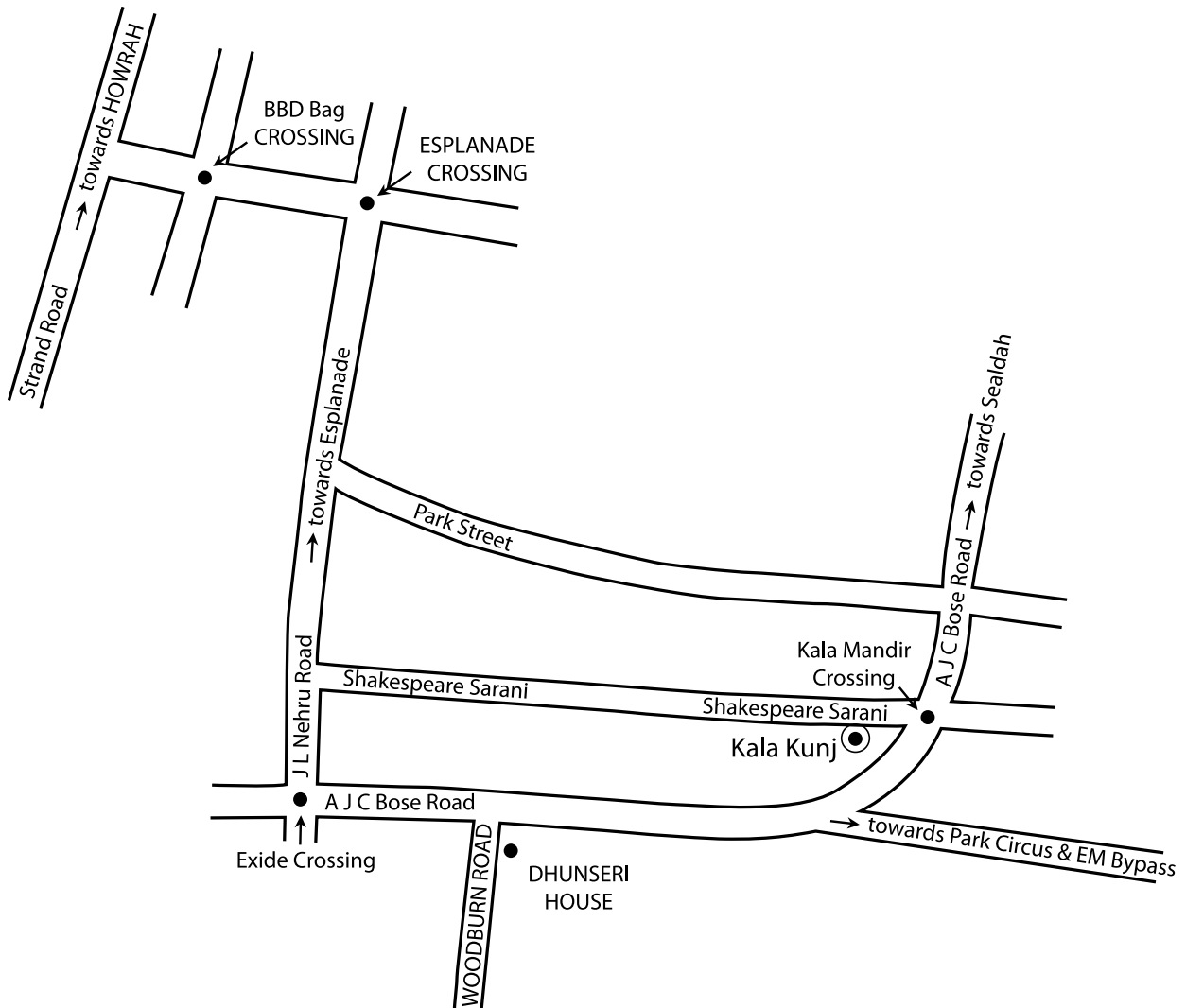
The Board commends the Ordinary Resolution set out at Item No. 5 for the approval of Members.

By Order of the Board
For **DHUNSERI TEA & INDUSTRIES LIMITED**

Kolkata,
27th May, 2016

R. MAHADEVAN
Company Secretary

Route Map to the Meeting Venue



Map not to scale

Corporate Information

Board of Directors

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

Chief Executive Officer

P. C. Dhandhanias

Chief Financial Officer

Bhavana Khemka

Company Secretary & Compliance Officer

R. Mahadevan

Statutory Auditor

Lovelock & Lewes
Chartered Accountants

Secretarial Auditor

K. Arun & Co.
Company Secretaries

Bankers

State Bank of India
Bank of Baroda
Punjab National Bank
United Bank of India
Development Credit Bank
ICICI 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. Hoogrija, 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. Hoogrija, 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.

Registrars and Share Transfer Agents

Maheshwari Datamatics Pvt. Limited
6, Mangoe Lane, 2nd Floor,
Kolkata-700001
Phone: 2243-5029, 2243-5809
Fax: 91-33-2248 4787
Email: mdpl@cal.vsnl.net.in
CIN: U20221WB1982PTC034886

