



**Dhunseri Tea & Industries Limited**

CIN : L15500WB1997PLC085661

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

Ref.No.DTIL/108/2019/

18.07.2019

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

Scrip Code: 538902

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

Symbol : DTIL

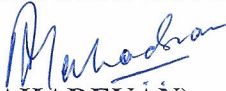
Dear Sirs/Madam,

Sub: Annual Report & Accounts for the financial year 2018-19  
and Notice of AGM convening the 22<sup>nd</sup> Annual General Meeting.

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure  
Requirments) Regulation, 2015

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the financial year ended 31<sup>st</sup> March, 2019, along with the Notice convening the 22<sup>nd</sup> Annual General Meeting of the Company scheduled to be held on Tuesday, 13<sup>th</sup> August, 2019 at 3.00 p.m. at KALAKUNJ, 48, Shakespeare Sarani, Kolkata-700017 for your information and record.

Yours faithfully,  
For DHUNSERI TEA & INDUSTRIES LTD.

  
(R. MAHADEVAN)  
Company Secretary

Encl: as above.

A photograph of a tea plantation with rows of green bushes. A large, stylized green swirl graphic originates from the bottom right, looping upwards and around the text.

# Growing Plantations...

nurturing nature.



**Dhunseri**  
TEA & INDUSTRIES LIMITED  
Annual Report 2018-19



**Foward-looking Statement**

In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion on future performance. We cannot guarantee that these forward-looking statements will be

realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.


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**Dhunseri's journey  
has been about embracing  
the opportunities and  
enduring the challenges  
of changing times.**



# Dhunseri today..



**12**

Tea Estates

**11**

Manufacturing  
facilities

**8000**

Hectares

Tea/Macadamia  
Plantations

**200**

Lakh kg (approx.)

Tea  
Production

**4.10**

Lakh kg

Macadamia  
Production

Over  
**5000**  
employees



# Embracing Opportunities...

Tea is the beverage of choice for the common man.

Rising income and growing awareness of tea's health benefits will lead to increase in demand for Tea.

There is demand for good quality tea which gives better price realisation. It is our constant endeavour to produce good quality tea.

At Dhunseri Tea, we believe in continued focus on business growth through improvement in crop yield by planting high yielding quality clones.

We are well positioned to provide further impetus to our global growth ambitions and looking for suitable opportunities for expanding overseas business.



# Enduring Challenges...



The industry faces new challenges, particularly relating to climate change. Rising temperature, uncertain weather conditions and erratic rainfall impact harvest as well as quality to some extent. New plantations takes minimum three to five years to break even and it's a challenge to maintain and improve upon return on investment.

Tea prices remain a major concern, not having kept pace with increasing cost. The cost of production has risen faster than prices in last few years. Higher wages and high social cost due to Plantation Labour Act is impacting viability and sustainability in the long run. This has also led to resource constraints to take up further development work by the tea industry.

We have addressed these challenges by sharper focus on increasing yield per hectare, coverage of irrigation with deep tube well, adopting good agricultural practices and integrated pest management. Our emphasis on mechanized harvesting for productivity enhancement and cost control will result in improved performance in coming years.





# An Enduring Business Model

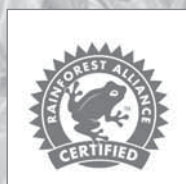


Continuous focus on building an enduring business model and long term viability has been the corner stone of our success.

We strategically derisked our business by acquiring African plantations. Apart from geographical diversification, our persistent efforts for improvement in crop yield and quality is the key to our sustainability.

## Quality Certifications

Dhunseri Tea has always been a quality driven company. We believe, quality of business secure sustainable growth. We are compliant with the best industry practices and have been accredited with ISO 22000-2005 Food and Safety standards. Our teas are certified by Trustea, Fairtrade, Rainforest Alliance, HACCP, PPC and FASSAI.





## Chairman's Statement

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*Dear Shareholders,*

I welcome you all to the Annual General Meeting of the Company.

It has been a challenging year for the Tea Industry with increasing costs and without corresponding increase in realisations. Further, structural changes are required to be undertaken to compete successfully with the unorganised sector mainly comprising of small growers who now account for almost 50% of the total domestic tea production.

Tea Industry has been contributing to the socio-economic development of the tea producing regions in a substantial manner resulting in increased tea production over the years and which meets the required domestic demand and contribute to the export earnings of the country.

Further, the Tea Industry is providing employment opportunities to large number of workers especially women in the plantation

sector in remotest area of the country and it is a major employer in tea growing regions of Assam & Bengal.

However, it will be a challenge for the Industry to bear the impact of increasing costs without substantial improvement in prices.

Our continuous efforts to improve the quality of our produce and yield by adopting several field operations including mechanised plucking, pest and nutrition management will enable us to achieve the desired yield and quality which will increase sustainability and returns to our stakeholders.

Kolkata  
1st July, 2019

C. K. Dhanuka  
Chairman



## Directors' Report

We have pleasure in presenting the 22nd Annual Report together with the Financial Statements of the Company for the year ended 31st March, 2019.

### 1. Financial Results :

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Accounting year ended		Accounting year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
<b>1 Income</b>				
a Revenue from Operations	18,081.27	17,701.63	32,428.83	29,605.93
b Other Income	280.22	186.31	477.69	241.83
<b>Total Income from Operations</b>	<b>18,361.49</b>	<b>17,887.94</b>	<b>32,906.52</b>	<b>29,847.76</b>
<b>2 Expenses</b>				
a Cost of Materials Consumed #	4,151.02	3540.84	4,362.94	3,698.88
b Changes in Inventories of finished goods	(191.53)	126.22	(507.06)	(69.86)
c Changes in Inventories of biological assets	9.86	(12.62)	(431.44)	34.69
d Employee benefits expense	7,143.52	6270.31	8,610.68	7667.14
e Finance costs	286.04	446.76	727.01	899.73
f Depreciation and amortization expense	750.04	743.90	1,866.15	1744.99
g Other expenses	5,938.32	6111.45	14,124.06	13,055.79
<b>Total expenses</b>	<b>18,087.27</b>	<b>17,226.86</b>	<b>28,752.34</b>	<b>27,031.36</b>
<b>3 Profit / (Loss) before tax (1-2)</b>	<b>274.22</b>	<b>661.08</b>	<b>4,154.19</b>	<b>2,816.40</b>
Tax expense				
- Current Tax	145.53	130.06	813.23	486.03
- Deferred Tax	(7.07)	(292.37)	530.59	(570.03)
<b>4 Tax expense (credit)</b>	<b>138.46</b>	<b>(162.31)</b>	<b>1,343.82</b>	<b>(84.00)</b>
<b>5 Profit / (Loss) for the period (3-4)</b>	<b>135.76</b>	<b>823.39</b>	<b>2,810.36</b>	<b>2,900.40</b>
<b>Items that will not be reclassified to profit or loss</b>				
Re measurement of post employment benefit obligations	(113.62)	131.02	(113.62)	131.02
Fair valuation of equity investments	245.41	850.07	245.41	850.07
Income Tax relating to these items	(108.21)	(139.98)	(108.21)	(139.98)
<b>Items that will be reclassified to profit or loss</b>				
Exchange differences on translation of foreign operations	-	-	1469.88	(1167.09)
<b>6 Other comprehensive income for the year (net of tax)</b>	<b>23.58</b>	<b>841.11</b>	<b>1,493.46</b>	<b>(325.98)</b>
<b>7 Total comprehensive income for the period</b>	<b>159.34</b>	<b>1,664.50</b>	<b>4,303.82</b>	<b>2,574.42</b>
<b>8 Paid-up equity share capital</b> (Face value Rs.10/- each)	<b>700.50</b>	<b>700.50</b>	<b>700.50</b>	<b>700.50</b>
<b>9 Earnings per share (of Rs 10/- each)</b>				
(a) Basic (Rs)	1.94	11.75	40.12	41.40
(b) Diluted (Rs)	1.94	11.75	40.12	41.40

# Cost of materials consumed represents Green Leaf purchased from third parties.

## Directors' Report (Contd.)

### 2. Dividend:

The Directors recommend a dividend of ₹ 5.00 per equity share i.e. @ 50 % for the financial year ended 31st March, 2019 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 ₹ 422.24 lakhs including dividend tax.

### 3. Transfer to reserves:

The directors have decided to retain the entire amount of ₹ 44,417.16 lakhs in the retained earnings.

### 4. Operations:

The total tea manufacturing in respect of the Indian operations for the year under review was 10.33 mn kg as against 10.07 mn kg in the previous year and the total sales were 10.18 mn kg as against 10.12 mn kg in the previous year. The total production and sale from the Indian operations during the year were comparatively more in comparison to the previous year and the average realization was almost similar to the previous year.

The total tea manufacturing in respect of the African operations for the year under review was 9.52 mn kg as against 8.70 mn kg in the previous year and the total sales were 8.92 mn kg as against 8.52 mn kg in the previous year. The total production and sale for the African operations during the year were comparatively more in comparison to the previous year and the average realization was more by about 15% in comparison to the previous year.

The production of macadamia in terms of volume was about 0.41 mn kg as against 0.30 mn. Kg in previous year and the sales were 0.37 mn kg as against 0.28 mn kg in the previous year. The production, sales as well as the average realizations of macadamia were higher in comparison to the previous year.

### 5. Subsidiary Companies:

The Company's has six wholly owned subsidiaries as on March 31, 2019 :

- i) Dhunseri Petrochem & Tea Pte Ltd. (DPTPL)
- ii) Makandi Tea & Coffee Estates Ltd. (MTCEL)
- iii) Kawalazi Estate Company Ltd. (KECL)
- iv) A.M. Henderson & Sons Ltd. (AMHSL)
- v) Chiwale Estate Management Services Ltd. (CEMSL)
- vi) Dhunseri Mauritius Pte Ltd. (DMPL)

The entire share capital of the subsidiary AMHSL & CEMSL are held by MTCEL and that of MTCEL, KECL and DMPL are held by DPTPL and that of DPTPL is held by the Company making them 100% wholly owned subsidiaries incorporated outside India.

There has been no material change in the nature of the business of the subsidiaries.

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

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

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

### 6. Listing:

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

### 7. Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- (ii) that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that they have prepared the annual accounts on a 'going concern' basis.
- (v) that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (vi) that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

The work performed by the internal auditor, statutory auditor and secretarial auditor and the reviews performed by management and the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.



## Directors' Report (Contd.)

### 8. Directors & Key Managerial Personnel:

Mr. Chandra Kumar Dhanuka (DIN: 00005684) was appointed Managing Director of the Company w.e.f 9th September, 2014 and will be completing his five year term on 8th September, 2019. It is proposed to reappoint Mr. Chandra Kumar Dhanuka as Managing Director of the Company on revised terms for a period of five (5) years w.e.f. 9th September, 2019 subject to the approval from the members of the Company at the ensuing 22nd AGM.

Mr. Basudeo Beriwal (DIN: 00119319) an independent director had resigned on conclusion of the board meeting held on 21st May, 2018.

Prof. Ashoke Kumar Dutta (DIN: 00045170) was appointed as an Additional Director (designated as Non-executive Independent Director) of the Company at the Board Meeting held on 21st May, 2018 and subsequently at the 21st AGM held on 7th August, 2018 Prof. Dutta was appointed as an Independent Director of the Company for a consecutive period of five years w.e.f. 21st May, 2018.

Mr. Bharat Bajoria (DIN: 00109241) and Ms. Nandini Khaitan (DIN: 06941351) both Independent Directors of the Company will be completing their first term of five years of independent directorship on 7th September, 2019 and 8th September, 2019 respectively. It is proposed to reappoint them as Independent Directors of the Company for a second term of five consecutive years w.e.f 8th September, 2019 and 9th September, 2019 respectively subject to the approval from the members of the Company at the ensuing 22nd AGM.

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

The Company has received declarations from the Independent Directors under Section 149(7) confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Mr. Mrigank Dhanuka (DIN: 00005666) , retires by rotation at the ensuing 22nd Annual General Meeting and being eligible offers himself for reappointment.

### 9. Number of Meetings of the Board:

The Board met four times during the financial year 2018-19. 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 performance evaluation of the Board as a whole and that of its various committees and that of the individual directors was undertaken during the year on the basis of the criteria such as the composition, structure, functioning,

effectiveness of the Board, the Committee Meetings, the contribution and preparedness of individual directors to the board and committees etc after seeking inputs from all the directors.

In a separate meeting of the Independent Directors the performance of non-independent directors, the Chairman and the Board as a whole was evaluated.

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

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

### 12. Internal financial control systems and their adequacy:

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

### 13. Audit committee:

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

### 14. Auditors:

M/s. Lovelock & Lewes, Chartered Accountants the retiring auditors will cease to be auditors of the Company on conclusion of this 22nd AGM.

Accordingly, the Board of Directors on the recommendation of the Audit Committee, after receipt of necessary consent vide letter dated 27th June, 2019 from M/s.S. R. Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration No.301003E/E300005) having their office at 22, Camac Street, 3rd Floor, Block B, Kolkata-700016 propose to appoint M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company for a period of five (5) years from the conclusion of this 22nd AGM until the conclusion of the 27th AGM of the Company to be held in the year 2024 on such remuneration as may be determined in consultation with the auditors.

Your directors recommend the said appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company.

### 15. Auditors' Report and Secretarial Auditors' Report

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

## Directors' Report (Contd.)

### 16. Risk Management

Although the requirement of Risk Management Committee is not mandatory for your Company, the management has to constantly monitor the risks and functions and systematically address them through mitigating actions on a continuous basis. The audit committee has additional oversight in the area of financial risks and controls.

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

### 17. Particulars of loans, guarantees and investments:

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

### 18. Transactions with Related Parties:

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

Your Directors draw attention of the members to Note No. 40 to the financial statement which sets out related party disclosures.

### 19. Management Discussion and Analysis Report

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

### 20. Corporate Social Responsibility

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

### 21. Extract of Annual Return

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

### 22. Particulars of employees

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

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

Non-executive Directors	Remuneration for the Year ended 31.03.2019 (₹)	Ratio to median remuneration
1. Mr. R. K. Sharma	30,000	0.41 : 1
2. Mr. Bharat Bajoria	65,000	0.89 : 1
3. Mr. Basudeo Beriwalla (till 21.05.2018)	25,000	*
4. Ms. Nandini Khaitan	30,000	0.41 : 1
5. Mr. Vivek Goenka	80,000	1.10 : 1
6. Mr. Ashoke Kumar Dutta (from 21.05.2018)	15,000	*
<b>Executive Directors</b>		
1. Mr. C. K. Dhanuka	24,84,009	34.03 : 1
2. Mr. Mrigank Dhanuka	18,28,520	25.05 : 1

\* Since this information is for part of the year, the same is not comparable.

The median remuneration of employees for financial year 2018-19 is ₹ 0.73 lacs.



## Directors' Report (Contd.)

- 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	-15.44
2. Mr. Mrigank Dhanuka, Executive Director	#
3 Mr. Bharat Bajoria	No change
4. Mr. Basudeo Beriwalla (till 21.05.2018)	*
5. Ms. Nandini Khaitan	No change
6. Mr. R. K. Sharma	No change
7 Mr. Vivek Goenka	No change
8 Mr. Ashoke Kumar Dutta (from 21.05.2018)	*
9. Mr. P. C. Dhandhanian, Chief Executive Officer	0.73
10 Mr. Vikash Jain	#
11 Mr. R. Mahadevan	0.62

\* Since this information is for part of the year, the same is not comparable.

# During previous year the remuneration paid to the Director and to the KMP were for part of the year.

- c. The percentage increase in the median remuneration of employees in the financial year: 19.67%.

- d. The number of permanent employees on the rolls of Company: 4973

- e. Average percentile increase / decrease already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase / decrease 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 / decrease already made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 15.01% and in the case of managerial remuneration the increase / decrease was -15.45 %. The remuneration payable to executive directors has variable component which is dependent on the profit of the Company and other employees remuneration has fixed pay which depends on his/ her performance.

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

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

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

### 23. Disclosure requirements:

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

- i) 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/>)

- ii) 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>).

- iii) 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>).

- iv) 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>).

## Directors' Report (Contd.)

- v) The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and the said policy is available on the Company's website (<http://dhunseritea.com/wp-content/uploads/2015/03/vigil-mechanism.pdf>).

### 24. Deposits from public:

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

### 25. State of Company's affairs:

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

### 26. Reporting of frauds by Auditors:

During the year under review, the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board's report.

### 27. Secretarial Standards:

The Company complies with all applicable secretarial standards.

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

The Company has entered into a non-binding term sheet to sell its branded tea business presently undertaken under the brands "LALGHORA" and "KALAGHORA" for an aggregate consideration of Rs 101 crore to Tata Global Beverages Limited. The proposed sale shall be subject to due-diligence by the buyer including definitive binding agreements and applicable statutory and regulatory approvals.

29. 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.

### 30. 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 neither any outstanding complaints in the beginning / end of the year nor any complaints were received and /or disposed off during 2018-19. The Committee met once during the year.

### 31. Green Initiatives:

As part of our green initiative, the electronic copies of this Annual Report including the Notice of the 22nd 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 22nd 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.

### 32. 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.

Kolkata  
1st July, 2019

For and on behalf of the Board of Directors  
C.K.DHANUKA  
Chairman



## Annexure - I

### ANNUAL REPORT ON CSR ACTIVITIES

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

The Company aims at carrying out directly or indirectly various CSR activities either through Dhanuka Dhunseri Foundation (DDF) or through any other implementing agency as may be recommended to the Board by the CSR Committee.

The CSR policy of the Company encompasses the following activities :

- Extending financial support to institutions for promoting education.
- Hostel for students.
- Day care centres and such other activities including measures for mitigating the inequalities amongst the socially and economically backward groups.
- Eradicating hunger, poverty and malnutrition.
- Health care (including preventive health care) and sanitation (including contribution to such programs of the Government for promotion of sanitation).
- Making available safe drinking water.

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

An amount of ₹ 31.20 lakhs (approx.) was disbursed to DDF by the Company during the year 2018-19 which is engaged in various philanthropic activities as aforementioned.

2. The composition of the CSR Committee: The Company has a CSR Committee of directors comprising of Ms. Nandini Khaitan, Chairperson of the Committee, Mr. Chandra Kumar Dhanuka and Mr. Vivek Goenka.

3. Average net profit of the Company for last three financial years for the purpose of computation of CSR: ₹ 1559.29 lakhs (approx.)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 31.19 lakhs (approx.)

5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year: ₹ 31.20 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	Project or programs (1) Local area or other (2) Specify the State and district where project or programs was undertaken	Amount Outlay (budget) project or programs wise (₹ )	Amount spent on the projects or programs Subheads: (1) Direct Expenditure (2) Overheads (₹ )	Cumulative Expenditure upto the reporting period (₹ )	Amount Spent:Direct or through implementing agency
1	Nature Cure & Yoga Centre	Healthcare (including preventive healthcare)	Diamond Harbour Road Bishnupur, Joka, State: West Bengal Dist. 24 Parganas (South)	31,20,000	31,20,000	31,20,000	Through Dhanuka Dhunseri Foundation (DDF) Implementing Agency

P.C. Dhandhanias  
Chief  
Executive Officer

Nandini Khaitan  
Chairperson,  
CSR Committee

C.K.Dhanuka  
Chairman

## Annexure - II

### FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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

#### I. REGISTRATION AND OTHER DETAILS :

i)	CIN	:-	L15500WB1997PLC085661
(ii)	Registration Date	:-	07/10/1997
(iii)	Name of the Company	:-	DHUNSERI TEA & INDUSTRIES LIMITED (DTIL)
(iv)	Category/Sub-Category of the Company	:-	Company limited by shares / Non Government Company
(v)	Address of the Registered Office and contact details	:-	"DHUNSERI HOUSE", 4A, WOODBURN PARK, KOLKATA - 700 020 Tel : 91 033 2280 1950 (5 lines) , Fax: 91 033 2287 8350/9274 Email : mail@dhuseritea.com; Website : www.dhunseritea.com
(vi)	Whether listed company	:-	YES
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	:-	MAHESHWARI DATAMATICS PVT. LTD. 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 Tel : 91 033 2243 5029 / 2248 2248/ 2231 6839 Fax: 91 033 2248 4787 Email : mdpl@cal.vsnl.net.in; Website : www.mdpl.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

#### III. PARTICULARS OF HOLDINGS, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associates	Applicable Section
1	Dhunseri Petrochem & Tea Pte Ltd. #27-00 Republic Plaza, Singapore 048619	201136419H	SUBSIDIARY	2(87)
2	Kawalazi Estate Co. Ltd. Thunga Estate Makandi, Thyolo Road, Malawi	2135	SUBSIDIARY	2(87)
3	Makandi Tea & Coffee Estates Ltd. Thunga Estate Makandi, Thyolo Road, Malawi	2868	SUBSIDIARY	2(87)
4	A.M.Henderson & Sons Ltd. Chiwale Estate, Sharpe Road, Thunga, Thyolo, P.O. Box 5247, Limbe	542	SUBSIDIARY	2(87)
5	Chiwale Estate Management Services Limited Thunga Estate Makandi, Thyolo Road, Malawi	MBRS 1009847	SUBSIDIARY	2(87)
6	Dhunseri Mauritius Pte Ltd IFC Court, Bank Street, Twenty Eight Cybercity, Ebene72201, Mauritius	155818	SUBSIDIARY	2(87)

The entire issued and paid up share capital of company 4 & 5 are held by company 3 and that of companies 2 , 3 & 6 above are held by company 1 and that of company 1 above is held by this Company.



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

##### i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01.04.2018]				No of Shares held at the end of the year [As on 31.03.2019]				% change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	181476	0	181476	2.5907	181476	0	181476	2.5907	0.0000
b) Central Govt	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) State Govt(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corporate	4497142	0	4497142	64.1995	4520659	0	4520659	64.5352	0.3357
e) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-total (A)(1)</b>	<b>4678618</b>	<b>0</b>	<b>4678618</b>	<b>66.7902</b>	<b>4702135</b>	<b>0</b>	<b>4702135</b>	<b>67.1259</b>	<b>0.3357</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Any other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Total Shareholding of Promoter</b>									
<b>(A)=(A)(1)+(A)(2)</b>	<b>4678618</b>	<b>0</b>	<b>4678618</b>	<b>66.7902</b>	<b>4702135</b>	<b>0</b>	<b>4702135</b>	<b>67.1259</b>	<b>0.3357</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	240	0	240	0.0034	240	0	240	0.0034	0.0000
b) Banks/FI	1515	402	1917	0.0274	354524	402	354926	5.0668	5.0394
c) Central Govt	200	0	200	0.0028	200	0	200	0.0028	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	354093	0	354093	5.0549	0	0	0	0.0000	-5.0549
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)									
<b>Alternate Investment Funds</b>									
Foreign Portfolio Investors	23255	0	23255	0.3320	20320	0	20320	0.2901	-0.0419
Provident Funds / Pension Funds									
Qualified Foreign Investor									
<b>Sub-total (B)(1)</b>	<b>379303</b>	<b>437</b>	<b>379740</b>	<b>5.4210</b>	<b>375284</b>	<b>437</b>	<b>375721</b>	<b>5.3636</b>	<b>-0.0574</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	395242	938	396180	5.6557	335808	858	336666	4.8061	-0.8496
ii) Overseas	0	0	0	0.0000	20	0	20	0.0003	0.0003
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1160942	53884	1214826	17.3424	1247566	47409	1294975	18.4866	1.1442
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	195108	0	195108	2.7853	258470	0	258470	3.6898	0.9045

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2018]				No. of Shares held at the end of the year [As on 31.03.2019]				% change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total share	
<b>c) Others (Specify)</b>									
Non Resident Indians	23573	40	23613	0.3371	26167	20	26187	0.3738	0.0367
Qualified Foreign Investor									
Custodian of Enemy Property	221	0	221	0.0031	0	0	0	0.0000	-0.0031
Foreign Nationals	0	122	122	0.0017	0	122	122	0.0017	0.0000
Clearing Members	39856	0	39856	0.5690	9635	0	9635	0.1375	-0.4315
Trusts	60	31	91	0.0013	20	0	20	0.0003	-0.0010
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	76576	0	76576	1.0932	1000	0	1000	0.0143	-1.0788
Employee Trusts									
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
<b>Sub-total (B)(2)</b>	<b>1891578</b>	<b>55015</b>	<b>1946593</b>	<b>27.7888</b>	<b>1878686</b>	<b>48409</b>	<b>1927095</b>	<b>27.5104</b>	<b>-0.2783</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2270881</b>	<b>55452</b>	<b>2326333</b>	<b>33.2098</b>	<b>2253970</b>	<b>48846</b>	<b>2302816</b>	<b>32.8741</b>	<b>-0.3357</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>6949499</b>	<b>55452</b>	<b>7004951</b>	<b>100.0000</b>	<b>6956105</b>	<b>48846</b>	<b>7004951</b>	<b>100.0000</b>	<b>0.0000</b>

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding held at the beginning of the year [As on 01.04.2018]			Shareholding held at the end of the year [As on 31.03.2019]			% 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	3206397	45.7733	0.0000	3206397	45.7733	0.0000	0.0000
2	Naga Dhunseri Group Limited	615751	8.7902	0.0000	615751	8.7902	0.0000	0.0000
3	Dhunseri Ventures Ltd	302744	4.3219	0.0000	326261	4.6576	0.3357	0.5388
4	Mint Investments Limited	296425	4.2316	0.0000	296425	4.2316	0.0000	0.0000
5	Chandra Kumar Dhanuka, Karta of Shankarlal Chandra Kumar (Huf)	80000	1.1420	0.0000	80000	1.1420	0.0000	0.0000
6	Trimplex Investments Limited	57625	0.8226	0.0000	57625	0.8226	0.0000	0.0000
7	Mrigank Dhanuka	23184	0.3310	0.0000	23184	0.3310	0.0000	0.0000
8	Madhuting Tea Private Limited	18200	0.2598	0.0000	18200	0.2598	0.0000	0.0000
9	Mrigank Dhanuka, c/o. Aman Dhanuka Trust	18000	0.2570	0.0000	18000	0.2570	0.0000	0.0000
10	Mrigank Dhanuka, c/o. Aayan Dhanuka Trust	18000	0.2570	0.0000	18000	0.2570	0.0000	0.0000
11	Aruna Dhanuka	16502	0.2356	0.0000	16502	0.2356	0.0000	0.0000
12	Chandra Kumar Dhanuka C/O. Shree Shaligram Trust	9400	0.1342	0.0000	9400	0.1342	0.0000	0.0000
13	Chandra Kumar Dhanuka	9104	0.1300	0.0000	9104	0.1300	0.0000	0.0000
14	Tarulika Khaitan, c/o. Tarugreve Trust	4000	0.0571	0.0000	4000	0.0571	0.0000	0.0000
15	Tarulika Khaitan	2400	0.0343	0.0000	2400	0.0343	0.0000	0.0000
16	Chandra Kumar Dhanuka, c/o. Sew Bhagwan & Sons.	886	0.0126	0.0000	886	0.0126	0.0000	0.0000
	<b>Total</b>	<b>4678618</b>	<b>66.7902</b>	<b>0.0000</b>	<b>4702135</b>	<b>67.1259</b>	<b>0.3357</b>	<b>0.5388</b>

iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2018]/ end of the year [31.03.2019]		Increase/ Decrease in shareholding	Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
1	Chandra Kumar Dhanuka C/o Shree Shaligram Trust					
	1.4.2018	9400	0.1342			
	31.3.2019	9400	0.1342	No Change	9400	0.1342
2	Mrigank Dhanuka C/o Aman Dhanuka Trust					
	1.4.2018	18000	0.2570			
	31.3.2019	18000	0.2570	No Change	18000	0.2570
3	Dhunseri Ventures Limited					
	1.4.2018	302744	4.3219			
	2018-19 ; Acquisition From Open Market	23517	0.3357		326261	4.6576
	31.3.2019	326261	4.6576	Increase (+23517)	326261	4.6576
4	Dhunseri Investments Limited					
	1.4.2018	3206397	45.7733			
	31.3.2019	3206397	45.7733	No Change	3206397	45.7733
5	Naga Dhunseri Group Limited					
	1.4.2018	615751	8.7902			
	31.3.2019	615751	8.7902	No Change	615751	8.7902
6	Trimplex Investments Limited					
	1.4.2018	57625	0.8226			
	31.3.2019	57625	0.8226	No Change	57625	0.8226
7	Tarulika Khaitan C/o Tarugreve Trust					
	1.4.2018	4000	0.0571			
	31.3.2019	4000	0.0571	No Change	4000	0.0571
8	Madhuting Tea Private Limited					
	1.4.2018	18200	0.2598			
	31.3.2019	18200	0.2598	No Change	18200	0.2598
9	Mint Investments Limited					
	1.4.2018	296425	4.2316			
	31.3.2019	296425	4.2316	No Change	296425	4.2316
10	Mrigank Dhanuka C/o Ayaan Dhanuka Trust					
	1.4.2018	18000	0.2570			
	31.3.2019	18000	0.2570	No Change	18000	0.2570
11	Chandra Kumar Dhanuka C/o Sew Bhagwan & Sons					
	1.4.2018	886	0.0126			
	31.3.2019	886	0.0126	No Change	886	0.0126
12	Chandra Kumar Dhanuka, Karta of Shankarlal Chandra Kumar (Huf)					
	1.4.2018	80000	1.1420			
	31.3.2019	80000	1.1420	No Change	80000	1.1420



Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2018]/ end of the year [31.03.2019]		Increase/ Decrease in shareholding	Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
13	CHANDRA KUMAR DHANUKA					
	1.4.2018	9104	0.1300			
	31.3.2019	9104	0.1300	No Change	9104	0.1300
14	MRIGANK DHANUKA					
	1.4.2018	23184	0.3310			
	31.3.2019	23184	0.3310	No Change	23184	0.3310
15	ARUNA DHANUKA					
	1.4.2018	16502	0.2356			
	31.3.2019	16502	0.2356	No Change	16502	0.2356
16	TARULIKA KHAITAN					
	1.4.2018	2400	0.0343			
	31.3.2019	2400	0.0343	No Change	2400	0.0343

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

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2018]/ end of the year [31.03.2019]		Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	General Insurance Corporation of India				
	1.4.2018	144000	2.0557		
	31.3.2019	144000	2.0557	144000	2.0557
2	Life Insurance Corporation of India				
	1.4.2018	68605	0.9794		
	31.3.2019	68605	0.9794	68605	0.9794
3	The New India Assurance Company Limited				
	1.4.2018	141488	2.0198		
	31.3.2019	141488	2.0198	141488	2.0198
4	West Bengal Industrial Development Corporation Ltd.				
	1.4.2018	183000	2.6124		
	31.3.2019	183000	2.6124	183000	2.6124
5	Gyan Traders Limited#				
	1.4.2018	76576	1.0932		
	05.10.2018 - Transfer	-76576	1.0932	0	0.0000
	29.03.2019 - Transfer	1000	0.0143	1000	0.0143
	31.3.2019	1000	0.0143	1000	0.0143

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2018]/ end of the year [31.03.2019]		Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	Meenakshi Mercantiles Ltd. #				
	1.4.2018	50000	0.7138		
	29.06.2018 - Transfer	-1435	0.0205	48565	0.6933
	20.07.2018 - Transfer	-3613	0.0516	44952	0.6417
	27.07.2018 - Transfer	-1712	0.0244	43240	0.6173
	03.08.2018 - Transfer	-6373	0.0910	36867	0.5263
	10.08.2018 - Transfer	-3358	0.0479	33509	0.4784
	24.08.2018 - Transfer	-680	0.0097	32829	0.4687
	31.08.2018 - Transfer	-12500	0.1784	20329	0.2902
	07.09.2018 - Transfer	-13897	0.1984	6432	0.0918
	14.09.2018 - Transfer	-6432	0.0918	0	0.0000
	31.3.2019	0	0.0000	0	0.0000
7	Mahesh Tejraj Inani				
	1.4.2018	22265	0.3178		
	31.3.2019	22265	0.3178	22265	0.3178
8	Dr. Ramesh Chimanlal Shah				
	1.4.2018	26500	0.3783		
	11.05.2018 - Transfer	-595	0.0085	25905	0.3698
	05.10.2018 - Transfer	-1456	0.0208	24449	0.3490
	12.10.2018 - Transfer	-449	0.0064	24000	0.3426
	02.11.2018 - Transfer	-500	0.0071	23500	0.3355
	09.11.2018 - Transfer	-3250	0.0464	20250	0.2891
	31.3.2019	20250	0.2891	20250	0.2891
9	Harshadkumar Prabhudas Tanna				
	1.4.2018	25487	0.3638		
	31.3.2019	25487	0.3638	25487	0.3638
10	Rajesh Mittal*				
	1.4.2018	0	0.0000		
	01.03.2019 - Transfer	76523	1.0924	76523	1.0924
	31.3.2019	76523	1.0924	76523	1.0924
11	Lincoln P Coelho				
	1.4.2018	30000	0.4283		
	31.3.2019	30000	0.4283	30000	0.4283
12	Karuna Mittal				
	1.4.2018	0	0.0000		
	12.10.2018 - Transfer	76576	1.0932	76576	1.0932
	11.01.2019 - Transfer	-76576	1.0932	0	0.0000
	31.3.2019	0	0.0000	0	0.0000

Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2018]/ end of the year [31.03.2019]		Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
13	JM Financial Services Limited*				
	1.4.2018	3150	0.0450		
	06.04.2018 - Transfer	-706	0.0101	2444	0.0349
	13.04.2018 - Transfer	421	0.0060	2865	0.0409
	20.04.2018 - Transfer	-372	0.0053	2493	0.0356
	27.04.2018 - Transfer	-483	0.0069	2010	0.0287
	04.05.2018 - Transfer	176	0.0025	2186	0.0312
	11.05.2018 - Transfer	1469	0.0210	3655	0.0522
	18.05.2018 - Transfer	-686	0.0098	2969	0.0424
	25.05.2018 - Transfer	-1	0.0000	2968	0.0424
	15.06.2018 - Transfer	67	0.0010	3035	0.0433
	22.06.2018 - Transfer	-67	0.0010	2968	0.0424
	06.07.2018 - Transfer	40	0.0006	3008	0.0429
	13.07.2018 - Transfer	500	0.0071	3508	0.0501
	20.07.2018 - Transfer	220	0.0031	3728	0.0532
	27.07.2018 - Transfer	-500	0.0071	3228	0.0461
	03.08.2018 - Transfer	-1671	0.0239	1557	0.0222
	10.08.2018 - Transfer	4831	0.0690	6388	0.0912
	17.08.2018 - Transfer	-220	0.0031	6168	0.0881
	31.08.2018 - Transfer	6602	0.0942	12770	0.1823
	07.09.2018 - Transfer	5445	0.0777	18215	0.2600
	14.09.2018 - Transfer	2206	0.0315	20421	0.2915
	21.09.2018 - Transfer	281	0.0040	20702	0.2955
	28.09.2018 - Transfer	77	0.0011	20779	0.2966
	29.09.2018 - Transfer	-3	0.0000	20776	0.2966
	05.10.2018 - Transfer	-49	0.0007	20727	0.2959
	12.10.2018 - Transfer	-10	0.0001	20717	0.2957
	19.10.2018 - Transfer	-95	0.0014	20622	0.2944
	26.10.2018 - Transfer	-252	0.0036	20370	0.2908
	02.11.2018 - Transfer	200	0.0029	20570	0.2936
	09.11.2018 - Transfer	-215	0.0031	20355	0.2906
	16.11.2018 - Transfer	27	0.0004	20382	0.2910
	23.11.2018 - Transfer	17	0.0002	20399	0.2912
	30.11.2018 - Transfer	-29	0.0004	20370	0.2908
	07.12.2018 - Transfer	-1137	0.0162	19233	0.2746
	14.12.2018 - Transfer	1051	0.0150	20284	0.2896
	21.12.2018 - Transfer	-51	0.0007	20233	0.2888
	28.12.2018 - Transfer	-1881	0.0269	18352	0.2620
	31.12.2018 - Transfer	125	0.0018	18477	0.2638
	04.01.2019 - Transfer	-100	0.0014	18377	0.2623
	11.01.2019 - Transfer	-25	0.0004	18352	0.2620
	08.02.2019 - Transfer	2458	0.0351	20810	0.2971
	22.02.2019 - Transfer	1	0.0000	20811	0.2971
	01.03.2019 - Transfer	-1	0.0000	20810	0.2971
	31.3.2019	20810	0.2971	20810	0.2971



Sl. No.	Shareholder's Name	Shareholding at the beginning [01.04.2018]/ end of the year [31.03.2019]		Cumulative Shareholding during the year [01.04.2018 to 31.03.2019]	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
14	LTS Investment Fund Ltd.				
	1.4.2018	20320	0.2901		
	31.3.2019	20320	0.2901	20320	0.2901

\* Not in the list of Top 10 shareholders as on 01/04/2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2019.

# Ceased to be in the list of Top 10 shareholders as on 31/03/2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2018.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018		Increase/ Decrease in shareholding	Shareholding at the end of the year 31.03.2019	
		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 begning of the year - 01.04.2018	9104	0.1300	-		
	At the end of the year - 31.03.2019				9104	0.1300
2	MRIGANK DHANUKA - Executive Director					
	At the begning of the year - 01.04.2018	23184	0.3310	-		
	At the end of the year - 31.03.2019				23184	0.3310
3	BASUDEO BERIWAL - Non Executive. Independent Director #					
	At the begning of the year - 01.04.2018	0	0.0000	-	-	-
	# Resigned w.e.f. 21.05.2018					
4	NANDINI KHAITAN - Non Executive. Independent Director					
	At the begning of the year - 01.04.2018	0	0.0000	-		
	At the end of the year - 31.03.2019				0	0.0000
5	BHARAT BAJORIA - Non Executive. Independent Director					
	At the begning of the year - 01.04.2018	0	0.0000	-		
	At the end of the year - 31.03.2019				0	0.0000
6	RAJIV KUMAR SHARMA - Non Executive . Non Independent					
	At the begning of the year - 01.04.2018	100	0.0000	-		
	At the end of the year - 31.03.2019				100	0.0000

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018		Increase/ Decrease in shareholding	Shareholding at the end of the year 31.03.2019	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
7	VIVEK GOENKA - Non Executive. Independent Director					
	At the begning of the year - 01.04.2018	0	0.0000	-		
	At the end of the year - 31.03.2019				0	0.0000
8	ASHOKE KUMAR DUTTA - Non Executive. Independent Director @					
	At the begning of the year - 01.04.2018	-	-	-		
	At the end of the year - 31.03.2019				0	0.0000
	@ Appointed w.e.f. 21.05.2018					
9	PRAKASH CHANDRA DHANDHANIA - Chief Executive Officer					
	At the begning of the year - 01.04.2018	0	0.0000	-		
	At the end of the year - 31.03.2019				0	0.0000
10	VIKASH JAIN - Chief Financial Officer					
	At the begning of the year - 01.04.2018	0	0.0000	-		
	At the end of the year - 31.03.2019				0	0.0000
11	R MAHADEVAN IYER, Company Secretary					
	At the begning of the year - 01.04.2018	6	0.0000	-		
	At the end of the year - 31.03.2019				6	0.0000

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	1,666.06	2,112.45		3,778.51
(ii) Interest due but not paid	-	-		-
(iii) Interest accrued but not due	-	7.28		7.28
<b>Total (i + ii + iii)</b>	<b>1,666.06</b>	<b>2,119.73</b>		<b>3,785.79</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	(165.62)	(58.64)	-	(224.26)
Reduction	-	-	-	-
<b>Net Change</b>	<b>(165.62)</b>	<b>(58.64)</b>	<b>-</b>	<b>(224.26)</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	1,500.44	2,054.05	-	3,554.49
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	7.04	-	7.04
<b>Total (i + ii + iii)</b>	<b>1,500.44</b>	<b>2,061.09</b>	<b>-</b>	<b>3,561.53</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Total Amount (₹)	
		Mr. C K Dhanuka Managing Director*	Mr. Mrigank Dhanuka Executive Director@
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	11,13,667	13,61,519
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	10,06,899	1,71,014
	(c) Profits in lieu of salary under Section 179(3) of the Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commision		
	- as % of profit		
	- others, specify..		
5.	Others, please specify #	3,63,443	2,95,987
	<b>Total</b>	<b>24,84,009</b>	<b>18,28,520</b>
	Ceiling as per the Act		

\* Mr. C. K. Dhanuka was appointed Managing Director for 5 years w.e.f. 09.09.2014.

@ Mr.Mrigank Dhanuka was appointed as an Executive Director for 5 years w.e.f. 14.02.2018.

# Includes Company's contribution to Provident Fund, Superannuation & Gratuity Fund.

### B. Remuneration to other Directors

Particulars of Remuneration		Name of the Directors					Total Amount (₹)
1.	Independent Directors	Basudeo Beriwal <sup>#</sup>	Bharat Bajoria	Nandini Khaitan*	Vivek Goenka	Ashoke Kr. Dutta <sup>%</sup>	
	Fee for attending Board meetings	10,000	40,000	20,000	40,000	10,000	1,20,000
	Fee for attending Committee meetings	15,000	25,000	10,000	40,000	5,000	95,000
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>25,000</b>	<b>65,000</b>	<b>30,000</b>	<b>80,000</b>	<b>15,000</b>	<b>2,15,000</b>
2.	Other Non-Executve Directors	Rajiv Kr. Sharma					
	Fee for attending Board meetings	30,000					
	Fee for attending committee meetings						
	Commission	-					
	Others, please specify	-					
	<b>Total (2)</b>	<b>30,000</b>					<b>30,000</b>
	<b>Total B = (1+2)</b>	<b>55,000</b>	<b>65,000</b>	<b>30,000</b>	<b>80,000</b>	<b>15,000</b>	<b>2,45,000</b>
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

# resigned w.e.f 21.05.2018

\* Paid to Khaitan & Co. LLP

% appointed w.e.f. 21.05.2018



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

Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹)
	P C Dhandhaniah Chief Executive Officer	Vikash Jain* Chief Financial Officer	R Mahadevan Company Secretary	
1. Gross Salary				
(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	13,20,000	14,07,500	6,97,500	34,25,000
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	82,412	132,600	1,80,285	3,95,297
(c) Profits in lieu of salary under Section 179(3) Income-tax Act, 1961				
2. Stock Option				
3. Sweat Equity				
4. Commission				
- as % of profit				
- others, specify..				
5. Others, please specify#	3,39,200	1,70,800	1,13,460	6,23,460
<b>Total</b>	<b>17,41,612</b>	<b>17,10,900</b>	<b>9,91,245</b>	<b>44,43,757</b>

# 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 Director's Report for the year ended 31st March, 2019.

#### A. Conservation of Energy:

##### i) Steps taken or impact on conservation of energy:

Old Generator sets which were replaced with fuel efficient new Generator sets resulted in more KWH per litre of diesel in Tea Estates and contained the Power & Fuel cost.

The energy efficient CFL/ LED Bulbs have replaced the condensed bulbs in all the factories and bungalows .

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

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

Interlocking of machineries have been done wherever applicable to reduce the connected load which has minimized demand charges.

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

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

##### iii) Capital investment on energy conservation equipment:

The continuous physical withering (CPW) machines was installed at tea factories at Dhunseri and Bahipookri last year. The same will be used during the heavy cropping months during the season for storage and continuous withering of green leaf.

#### 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 a 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.

Machine plucking harvester are being undertaken to mitigate the labour shortage wherever workers availability is poor and it is proposed to cover larger areas during the current Season.

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

(a) The details of technology imported: Nil

(b) The year of import: Nil

(c) Whether the technology been fully absorbed: Not applicable

(d) If not fully absorbed, areas where absorption has not taken place and the reasons therefore : Not applicable.

##### (iv) The expenditure incurred on Research and Development:

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

#### C. Foreign Exchange Earnings and Outgo:

Earnings in Foreign Exchange ₹ 531.36 lakhs (Previous year ₹ 15.59 lakhs)

Foreign Exchange Outgo ₹ 103.28 Lakhs (Previous year ₹ 102.58 lakhs)

## 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

Sl.	Name	Qualification	Designation	Date of Birth	Date of Joining	Remuneration (₹)
1	Chandra Kumar Dhanuka	B.Com	Chairman & Managing Director	19-01-54	07-02-75	24,84,009
2	Vivek Bhasin	B.Com (Hons)	Chief Executive Plantations	27-12-62	01-04-06	20,73,900
3	Kailash Kumar Tibrewalla	M.Com	Senior Vice President	22-07-50	01-07-69	19,17,811
4	Mrigank Dhanuka	B.Com (Hons)	Executive Director	12.08.80	14.02.18	18,28,520
5	Prakash Chandra Dhandhanika	M.Sc (Agriculture)	Chief Executive Officer	06-09-61	25-04-07	17,41,612
6	Vikash Jain	ACA	Chief Finance Officer	21.09.71	14.12.17	17,10,900
7	Mr. Gokul Bhuyan	MA (History)	General Manager	24-05-60	22-06-02	13,63,320
8	Anuj Kumar Jha	B.Sc (Statistics)	Marketing Manager	01-11-60	14-06-12	13,61,880
9	Bijoy Kumar Saikia	M.Sc (Agriculture)	Manager	26.01.68	19-05-17	13,11,432
10	Ravinder Kumar Kaul	M.Sc (Agriculture)	Senior Manager	19.09.61	12-11-15	12,91,808

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

NIL

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

NIL

- Note:
- 1) None of the employees listed above is a relative of any director of the Company.
  - 2) Mr. C. K. Dhanuka, Managing Director and Mr. Mrigank Dhanuka, Executive Director holds 9,104 and 23,184 shares respectively.  
None of the other employees listed above hold any equity shares in the Company.
  - 3) Nature of employment is contractual.



## Form No. MR-3

### Secretarial Audit Report

For the financial year ended on 31st March, 2019  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Dhunseri Tea & Industries Limited**  
CIN: L15500WB1997PLC085661  
Dhunseri House, 4A, Woodburn Park,  
Kolkata – 700 020

I 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 referred as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2019 ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and Companies Act, 1956, to the extent not repealed;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable to the Company during the Audit Period;**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 applicable up to November 8, 2018 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 effective from November 9, 2018, (SEBI (ICDR) Regulations);- **Not Applicable to the Company during the Audit Period**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 - Not applicable to the Company during the Audit Period;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable to the Company during the Audit Period;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable to the Company during the Audit Period;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable to the Company during the Audit Period;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015 (herewith referred as Listing Regulations); and

## Secretarial Audit Report (Contd.)

(v) Other specifically applicable laws to the Company.

- a. Tea Act, 1953;
- b. The Tea Waste (Control) Order, 1959;
- c. The Tea (Marketing) Control Order, 1984;
- d. Tea (Distribution and Export) Control Order, 2005;
- e. Food Safety and Standards Act, 2006;
- f. Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981; and
- g. Factories Act, 1948;

I report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with all the laws applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

I further report that:

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

- Adequate notice is given to all directors for the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda 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 by the directors.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that as per the explanations given to me and the representation made by the Management and relied upon by me, 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.

I further report that during the audit period, there was no other event/action having major bearing on the Company's affairs.

For M Shahnawaz & Associates  
Practicing Company Secretaries  
Firm Regn. No: S2015WB331500

**Md. Shahnawaz**  
Proprietor

Kolkata  
May 24, 2019

Membership No.: 21427  
CP No.: 15076

# Corporate Governance Report

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

## 1. Company’s Philosophy

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

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

## 2. Board of Directors (Board)

### a) Composition of Board

The Board comprises of four Non-Executive Independent Directors including a women director, one Non-Executive/Non-Independent Director and two Executive / Non-independent Directors comprising of the Promoter Director who is the Chairman of the Board and an Executive Director who is related to the promoter. The number of Non-Executive Independent Directors are more than half the total strength of the Board. The composition of the Board as on 31st March, 2019 is as under:

Mr. C. K. Dhanuka @ (DIN 00005684)	Promoter Director Appointed as Managing Director w.e.f. 09.09.2014. Not Liable to retirement by rotation
Mr. M. Dhanuka @ (DIN 00005666)	Executive Director w.e.f. 14.02.2018 Promoter Relative Liable to retirement by rotation
Mr. R. K. Sharma (DIN 05197101)	Non-Executive / Non-Independent Director Liable to retirement by rotation
Mr. B. Bajoria (DIN 00109241)	Non-Executive Independent Director Not liable to retirement by rotation
Ms. N. Khaitan (DIN 06941351)	Non-Executive Independent Director Not liable to retirement by rotation
Mr. Vivek Goenka (DIN 00042285)	Non-Executive Independent Director Not liable to retirement by rotation
Mr. Ashoke Kumar Dutta (DIN 00045170)	Non-Executive Independent Director Not liable to retirement by rotation

@ Retiring by rotation at the ensuing 22nd AGM of the Company.

The Independent Directors fulfil the conditions specified by the SEBI (LODR) Regulations and are independent of the management.

## Corporate Governance Report (Contd.)

b) (i) **Attendance of Directors at Board Meetings and at the 21st AGM and other directorships / committee memberships held**

During the financial year 2018-19, the Board met four times on the following dates:

21st May, 2018; 7th August, 2018; 14th November, 2018 and 12th February, 2019.

The attendance and number of 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 07.08.2018	Number of Directorships# held in listed Companies	Number of Committee Memberships @	
				Member	Chairman
Mr. C. K. Dhanuka	4	Yes	7	8	2
Mr. M. Dhanuka	1	No	5	1	-
Mr. R. K. Sharma	3	No	2	-	-
Mr. B. D. Beriwalla (upto 21.05.2018)	1	-	-	-	-
Mr. B. Bajoria	4	Yes	4	-	1
Ms. N. Khaitan	2	Yes	4	1	-
Mr. Vivek Goenka	4	Yes	1	1	1
Mr. A. K. Dutta (from 21.05.2018)	1	Yes	1	1	-

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

# Includes Directorship & Alternative Directorship held in Public Company not exceeding 8 in number.

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

(ii) **Other company directorships listed / incorporated in India :**

Directors	Listed Indian Companies	Category of Directorship
* Mr. C. K. Dhanuka	Dhunseri Ventures Limited (Formerly Dhunseri Petrochem Limited)	Executive Chairman
	Dhunseri Tea & Industries Limited	Managing Director
	Naga Dhunseri Group Ltd.	Chairman
	Mint Investments Ltd.	Chairman
	Dhunseri Investments Ltd.	Chairman
	CESC Ltd.	Independent Director
	Emami Ltd.	Independent Director
* Mr. Mrigank Dhanuka	Dhunseri Ventures Limited (Formerly Dhunseri Petrochem Limited)	Vice Chairman
	Dhunseri Tea & Industries Limited	Executive Director
	Naga Dhunseri Group Limited	Managing Director
	Mint Investments Limited	Director
	Dhunseri Investments Limited	Director



## Corporate Governance Report (Contd.)

Directors	Listed Indian Companies	Category of Directorship
Mr. R. K. Sharma	Dhunseri Ventures Limited (Formerly Dhunseri Petrochem Limited) Dhunseri Tea & industries Limited	Executive Director (Finance) & CFO  Director
Mr. Bharat Bajoria	Dhunseri Tea & Industries Limited Teesta Valley Tea Co. Limited The Bormah Jan Tea Co. (1936) Limited McLeod & Co. Limited	Independent Director Managing Director Managing Director Director
Mr. Vivek Goenka	Dhunseri Tea & industries Limited	Independent Director
Ms. Nandini Khaitan	Xpro India Limited International Conveyors Limited Williamson Financial Services limited Dhunseri Tea & Industries Ltd.	Independent Director Independent Director Independent Director Independent Director
Mr. Ashoke Kumar Dutta	Dhunseri Tea & Industries Ltd.	Independent Director

\* Except for Mr. C. K. Dhanuka and Mr. Mrigank Dhanuka who are related to each other there is no other inter-se relationship between the directors.

### (iii) Skill, expertise and competence of the Board of Directors:

The table below summarizes the key qualifications, skills, expertise, competence and attributes which are required in the context of the Company's business to function effectively.

1.	Skills, Financial knowledge, experience including exposure to global practices.	Knowledge of finance function of an enterprise, capital allocation, and reporting processes, supervising and guiding concerned Officials, dealing with auditors or person performing similar functions including financial decisions relating to offshore units or enterprise(s).
2.	Expertise, Industrial / business exposure including professional qualification	Leadership experience, practical understanding of organization processes, planning, and risk management. Demonstrated strengths in developing talent, driving long-term growth, handling legal issues, technical competence and compliance with statutory laws and regulations
3.	Management & competence	Experience and/or specialized education relating to the business enterprise, management and administration, accountability, protecting shareholders interest and observing good corporate governance practices.

### 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 Managing Director	11,13,667	10,06,899	3,63,443	-	24,84,009
Mr. Mrigank Dhanuka Executive Director	13,61,519	1,71,014	2,95,987	-	18,28,520

# includes Company's contribution to PF, Superannuation and Gratuity Funds

## Corporate Governance Report (Contd.)

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 the members at the 18th AGM of the Company held on 14th August, 2015.

Mr. Mrigank Dhanuka was appointed as an Executive Director of the Company for a period of five years w.e.f. 14.02.2018 on terms and conditions as approved by the members at the 21st AGM of the Company held on 7th August, 2018.

Mr. C. K. Dhanuka holds 9104 shares and Mr. Mrigank Dhanuka holds 23184 shares of the Company which were allotted to them 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 and Mr. Mrigank Dhanuka are not entitled to any sitting fees for attending board / committee meetings of the Company.

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

Name of Director	Sitting Fees		Salary, Perquisites & Commission	Total (₹ )
	Board Meetings	Committee Meetings		
Mr. R. K. Sharma	30,000	-	-	30,000
Mr. B. D. Beriwalla (upto 21.05.2018)	10,000	15,000	-	25,000
Mr. B. Bajoria	40,000	25,000	-	65,000
Ms. N. Khaitan #	20,000	10,000	-	30,000
Mr. Vivek Goenka	40,000	40,000	-	80,000
Mr. Ashoke Kumar Dutta (w.e.f. 21.05.2018)	10,000	5,000	-	15,000

# Paid to Khaitan & Co. LLP.

### Details of shares held by non-executive directors in the Company as on 31st March, 2019:

Mr. R. K. Sharma holds 100 shares.

No other non-executive director holds any 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](http://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 presently comprises of three Independent Directors viz Mr. Bharat Bajoria, Mr. Vivek Goenka and Mr. Ashoke Kumar Dutta and one Non-Independent Director viz Mr. C.K. Dhanuka.

Mr. Bharat Bajoria is the Chairman of the Audit Committee.

#### Powers of Audit Committee

The powers of the Audit Committee are as follows :

- 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.

## Corporate Governance Report (Contd.)

### Role of Audit Committee

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause ( c ) of Section 134 of Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### Review of information by Audit Committee

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations.

## Corporate Governance Report (Contd.)

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,
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee and
6. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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

The Audit Committee met four times during the year i.e. on 21st May, 2018, 7th August, 2018; 14th November, 2018 and 12th February, 2019.

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

Name	No. of meetings held	No. of meetings attended
Mr. Bharat Bajoria	4	4
Mr. Basudeo Beriwal* (Resigned w.e.f. 21.05.2018)	1	1
Mr. C. K. Dhanuka	4	4
Mr. Vivek Goenka	4	4
Mr. Ashoke Kumar Dutta# (Appointed w.e.f. 21.05.2018)	4	1

\* Resignation effective from the conclusion of the Board meeting held on 21.05.2018

# Appointment effective from the conclusion of the Board meeting held on 21.05.2018

### 4. Nomination & Remuneration Committee

The Nomination & Remuneration Committee presently comprises of three Independent Directors viz Mr. Vivek Goenka, Ms. N. Khaitan and Mr. Bharat Bajoria and one Non-Independent Director viz Mr. C. K. Dhanuka.

Mr. Vivek Goenka is the Chairman of the Committee.

The Nomination and Remuneration Committee met once during the year on 21.05.2018.

The attendance of the directors at the Nomination & Remuneration Committee Meeting is summarized below:-

Name	No. of meetings held	No. of meetings attended
Mr. Vivek Goenka	1	1
Mr. B. D. Beriwal* (Resigned w.e.f. 21.05.2018)	1	1
Mr. C. K. Dhanuka	1	1
Ms. N. Khaitan	1	-
Mr. Bharat Bajoria #	1	NA

\* Resignation effective from the conclusion of the Board meeting held on 21.05.2018

# Appointment effective from the conclusion of the Board meeting held on 21.05.2018

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

- i) They shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out the evaluation of every director's performance.
- ii) They shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- iii) Devising a policy on board diversity while formulating the above policy the Committee shall inter-alia ensure the following :
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;



## Corporate Governance Report (Contd.)

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

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

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

### Evaluation Policy:

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

### Separate Meeting of Independent Directors:

A separate meeting of independent directors was convened and held by them on 14th November, 2018. The meeting reviewed the performance of the Non-independent Directors and the Board of Directors of the Company including the performance of the Chairperson of the Company and also

assessed the quality, quantity and timeliness of the flow of information between the company management and the Board.

Mr. Bharat Bajoria and Mr. Vivek Goenka 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 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 to the Directors of the Company are detailed under Para 2(c) above.

## 5. Corporate Social Responsibility Committee

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

Ms. Nandini Khaitan is the Chairperson of the Committee.

The Committee met once during the year on 21st May, 2018.

## Corporate Governance Report (Contd.)

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

Name	No. of meetings held	No. of meetings attended
Ms. N. Khaitan	1	1
Mr. B. D. Beriwalla * (resigned w.e.f. 21.05.2018)	1	1
Mr. C. K. Dhanuka	1	1
Mr. V. Goenka # (appointed w.e.f. 21.05.2018)	1	NA

\* Resignation effective from the conclusion of the board meeting held on 21.05.2018

# Appointment effective from the conclusion of the board meeting held on 21.05.2018

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 presently comprises of two Non-executive Independent Directors viz. Mr. Vivek Goenka and Ms. Nandini Khaitan and one Non-Independent Director viz. Mr. C. K. Dhanuka.

Mr. Vivek Goenka is the Chairman of the Committee.

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

Two meetings of the Stakeholders Relationship Committee were held during the year i.e on 7th August, 2018 and 12th February, 2019.

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

Name	No. of meetings held	No. of meetings attended
Mr. Vivek Goenka	2	2
Ms. Nandini Khaitan (appointed w.e.f. 21.05.2018)	2	2
Mr. C. K. Dhanuka	2	2

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

- Review the process and mechanism for redressal of investor grievance and to suggest measures for improving the same.
- Review and resolve the pending investors complaints, if any, relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest.
- Dividend warrants, non-receipt of annual report and any other grievance /complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

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

During the year 2018-19 there were no investor complaints under Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The management constantly monitors all types of risks and functions and adopts suitable strategies from time to time so as to systematically address them on a continuous basis.

The charter for risk management inter-alia includes assessment, monitoring and mitigation of the risks involved in production, marketing, sales, purchase, finance, accounting, insurance, legal / compliances etc.

### 8. Share Transfer Committee

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

- Mr. C. K. Dhanuka - Managing Director
- Mr. M. Dhanuka - Executive Director

## Corporate Governance Report (Contd.)

iii) Mr. R. K. Sharma - Director

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

The Committee met four times during the year i.e. on 23rd April, 2018; 19th July, 2018; 1st November, 2018 and 17th January, 2019.

The attendance of the directors at the share transfer committee meetings is summarized below:

Name	No. of meetings held	No. of meetings attended
Mr. C. K. Dhanuka	4	4
Mr. M. Dhanuka	4	1
Mr. R. K. Sharma	4	4

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

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

The scrutiny and other formalities relating to share transfers 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
2017-18	Kala Kunj, Sangit Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017	7th August, 2018	10.30 a.m.	None
2016-17	Kala Kunj, Sangit Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017	7th August, 2017	10.30 a.m.	None
2015-16	Kala Kunj, Sangit Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017	11th August, 2016	10.30 a.m.	None

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

### 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 directors 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

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

Transactions with related parties are disclosed in Note No. 40 under 'Notes 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>

- There were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter relating to the capital markets during the year under review.
- 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>

## Corporate Governance Report (Contd.)

- 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>
  - g) The Company has formulated a policy for familiarization programme for imparting to independent directors and such policy has been disclosed on the Company's website: <http://dhunseritea.com/wp-content/uploads/2015/06/Familiarisation-Programme-of-Independent-Directors.pdf>
11. The Company has obtained rating from CARE Ratings Limited during the year ended 31st March, 2019. There has been no change in credit rating '**CARE A+; Stable**' during the year.
  12. No funds were raised through preferential allotment or qualified Institutional Placement as specified in Regulation 32(7A) of SEBI (LODR) Regulations, 2015.
  13. None of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The Company has also obtained a certificate in this regard from a practising company secretary.
  14. There is no such instance of the Board of not having accepted any recommendation(s) of the committee(s) of the Board in the relevant financial year, which is mandatorily required to be disclosed along with reasons thereof.
  15. The total fees for all services paid by the Company to the statutory auditors is disclosed in Note No. 30 of the Financial Statement.

### 16. 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.

### 17. 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 website [www.dhunseritea.com](http://www.dhunseritea.com).

### 18. Management Discussion and Analysis Report

#### Industry Structure and Development

The Company's main business is plantation, manufacture and sale of Tea. Tea being a seasonal industry, the plantation activities are carried out from March to December and is subject to the vagaries of the monsoon. The area under plantation is relatively constant. The crop yield depends on the climatic conditions to a very large extent. The steps initiated for increasing the crop yields by implementing improved agricultural practises is not only necessary under the circumstances but also becomes important for the industry for its survival.

#### Opportunities and Threats

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



## Corporate Governance Report (Contd.)

### Segment-wise performance

The Company's main business operation is restricted to a single segment i.e. Tea which is manufactured and sold through either auction centres, packet sales or as bulk / private tea sales and is covered under the sections 'Financial Results' and 'Operations' respectively in the Directors' Report.

### Outlook

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

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

### Risk and Concern

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

### Internal Control System & their adequacy

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

### Disclosures on financial performance with respect to operational performance

The disclosures under financial performance with respect to operational performance are covered by the sections 'Financial Results' and 'Operations' respectively under the Directors' Report.

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

The Tea industry is labour intensive and provides employment to a very large segment of the population residing in and around the tea plantation areas. The company has ten tea estates all located in the State of Assam with a total plantation area of about 3055.75 hectares. As on 31st March, 2019 the Company provided employment to about 4973 employees including 4815 workers, staff and sub-staffs at its tea estates.

### Significant changes in key financial ratios & return on net worth

The Operating Profit Margin and Net Profit margin decreased by over 25% during the year primarily due to significant increase in labour costs and in consequence thereof the return on net worth also decreased by over 25%.

### Cautionary Statement

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

## 19. Shareholders' Information

### a) Annual General Meeting

Tuesday, 13th August, 2019 at 3.00 p.m. at Kalakunj, 48, Shakespeare Sarani, Kolkata-700017.

### b) Book Closure

The Register of Members and Share Transfer Register will remain closed from Wednesday, 7th August, 2019 till Tuesday, 13th August, 2019 (both days inclusive) on account of the Annual General Meeting and dividend payment.

## Corporate Governance Report (Contd.)

### c) E-voting

The e-voting period commences at 9.00 a.m. on Friday, 9th August, 2019 and ends at 5.00 p.m. on Monday, 12th August, 2019. During this period, members of the Company holding shares as on the cut-off date i.e. Tuesday, 6th August, 2019, either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. The e-voting resolution once cast by a Member, cannot be changed subsequently.

Members who do not have facility to cast their vote electronically may use the Ballot Form (enclosed with the Annual Report) to cast their vote, by filling in and thereafter forwarding the duly completed Ballot Form to the Scrutinizer Mr. Kailash Chandra Dhanuka at the Registered Office of the Company, not later than Monday, 12th August, 2019.

### d) Dividend Payment

The dividend, if declared, shall be paid /credited on or after Monday, 19th August, 2019.

### e) Registered Office:

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

CIN : L15500WB1997PLC085661

Ph. No : 91 33 2280-1950 (five lines)

Fax No : 91 33 2287-9274/8350

Email : mail@dhunseritea.com

Website : www.dhunseritea.com

### f) Listing on Stock Exchanges:

The Company's shares are listed with the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company has paid the annual listing fees to the Stock Exchanges for the financial year 2019-20.

### 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 2018-19:

Period 2018 – 19	BSE		NSE		BSE Sensex	
	High	Low	High	Low	High	Low
April	318.30	280.10	324.80	276.50	35213.30	32972.56
May	308.00	274.50	315.00	270.50	35993.53	34302.89
June	344.80	257.60	334.30	252.00	35877.41	34784.68
July	314.00	272.15	312.00	274.00	37644.59	35106.57
August	307.00	274.05	310.00	279.05	38989.65	37128.99
September	315.00	256.15	313.00	262.00	38934.35	35985.63
October	293.75	228.00	290.00	228.05	36616.64	33291.58
November	280.00	245.20	280.00	240.05	36389.22	34303.38
December	264.00	233.25	275.50	223.95	36554.99	34426.29
January	272.00	225.05	257.95	226.00	36701.03	35375.51
February	231.00	203.05	239.80	200.40	37172.18	35287.16
March	244.95	210.00	257.70	212.00	38748.54	35926.94

### i) Registrars and Share Transfer Agents:

Maheshwari Datamatics Pvt. Ltd., 23, R. N. Mukherjee Road, 5th Floor, Kolkata-700 001

Phone: 91 33 2248-2248, 2243-5029, 2231-6839 Fax : 91 33 2248-4787, Email : mdpldc@yahoo.com

## Corporate Governance Report (Contd.)

### 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 31.03.2019

Shareholding Pattern			Distribution Schedule				
Category	No. of Shares held	Percentage %	Range	Shareholders		Shares	
				No.	%	No.	%
Promoters	47,02,135	67.13	1-500	16,773	97.03	6,08,471	8.69
Mutual Funds/UTI	240	0	501 – 1000	243	1.41	1,91,354	2.73
Financial Institutions/Banks/ Insurance Companies	3,54,926	5.07	1001 – 2000	143	0.83	2,12,502	3.03
Central/State Government(s)	235	0	3001 – 4000	18	0.10	63,701	0.91
Bodies Corporate	3,36,666	4.81	4001 – 5000	12	0.07	55,789	0.80
Indian Public	15,53,445	22.18	5001 – 10000	25	0.14	1,83,970	2.63
NRI/Foreign Nationals/ Foreign Portfolio Investors	46,629	0.67	10001 and above	32	0.18	55,85,315	79.73
Clearing Members/Trust/ NBFC/Others	10,675	0.14		17,287	100	70,04,951	100
	70,04,951	100					

### l) Unclaimed Suspense Account:

The physical share certificates returned undelivered by the postal authorities to the Company were dematerialised and credited to the Unclaimed Suspense Account of the Company. The disclosure in respect of the Company's equity shares transferred to the said Unclaimed Suspense Account is as under:

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account as on 1st April, 2018	674	25,006
Number of shareholders and aggregate number of shares transferred to the Unclaimed Suspense Account during the year 2018-19	Nil	Nil
Number of shareholders who approached the Company for transfer of shares and the number of shares that were transferred to them from the said Unclaimed Suspense Account during the year 2018-19	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account as on 31st March, 2019.	674	25,006

The voting rights on the shares in the Unclaimed Suspense Account as on 31st March, 2019 shall remain frozen till the rightful owners of such shares claim them.

## Corporate Governance Report (Contd.)

### m) Dematerialisation of shares and liquidity

As on 31st March, 2019, 99.30 % of the company's share capital representing 69,56,105 shares were held by 15,793 shareholders in dematerialised form and the balance representing 0.70 % of the Company's share capital comprising of 48,846 shares were held by 1,896 shareholders in physical form.

### n) 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.

### o) Plant location

The Company has ten tea estates all located in the State of Assam viz; Dhunseri, Bahipookri, Bettybari, Orang, Bahadur, Dilli, Santi, Khagorijan, Hatijan and Khetojan Tea Estates.

The Company has tea factories located in all the above tea estates except in Khetojan Tea Estate.

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

### p) 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.

### q) Financial Calendar 2019-20 (Tentative)

#### Board Meetings

Unaudited results for quarter ending June 30, 2019  
- By 14th August, 2019

Unaudited results for quarter ending September 30, 2019 - By 14th November, 2019

Unaudited results for quarter ending December 31, 2019  
- By 14th February 2020

Audited results for year ending March 31, 2020 - By 30th May, 2020

Annual General Meeting for the year ending 31st March, 2020 - August, 2020

### r) Grievance Redressal Division / Compliance Officer:

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

### s) 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.

Kolkata  
24th May, 2019

For and on behalf of the Board of Directors  
**C.K. DHANUKA**  
Chairman of the Board



## Corporate Governance Report (Contd.)

### 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, 2019 received from the members of the Board and the senior management personnel, a declaration of compliance with the Company's Code of Conduct.

Kolkata  
24th May, 2019

**P. C. DHANDHANIA**  
Chief Executive Officer

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### 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, 2019 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 24A, 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 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

Place : Kolkata  
Date : 24th May, 2019

**Amitesh Dutta**  
Partner  
Membership No:058507

# Independent Auditors' Report

To The Members of

**DHUNSERI TEA & INDUSTRIES LIMITED**

**Report on the audit of the Standalone Financial Statements**

**Opinion**

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, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("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, 2019 and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

## **Basis for opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key audit matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of the fair value of biological assets and harvested tea leaves</b></p> <p>(Refer to the accompanying note 2 (e) , 2 (f) and Note 41 forming integral part of the Standalone Financial Statements)</p> <p>As on March 31, 2019, the Company has biological assets being "Green leaf growing on tea bushes" with a carrying value of Rs. 48.91 lakhs and Green leaf harvested from own gardens ("agricultural produce") being part of finished goods (Tea) with a carrying value of ₹ 555.77 lakhs.</p> <p>The biological assets and agricultural produce used in the production of finished goods (Tea) are stated at fair value less costs to sell.</p> <p>We considered the valuation of biological assets and agricultural produce used in the production of finished goods (Tea) as a key audit matter given the significant management judgement involved in the consideration of factors such as market sources, prevailing</p>	<p>Our procedures included the following :</p> <ul style="list-style-type: none"> <li>• We understood and tested the design and operating effectiveness of controls as established by the management in determination of the fair value of biological assets and harvested tea leaves produced from own gardens.</li> <li>• We considered the following factors in our assessment of the fair value –               <ol style="list-style-type: none"> <li>a. compared the prices of similar quality tea leaves, as obtained from market sources,</li> <li>b. compared the selling prices of the Company's Tea prevailing around year end for completed seasonal cycle,</li> <li>c. evaluated the appropriateness of technical factors stated by management which determine the quality of the tea leaves produced from the Company's gardens and for arriving at the fair value of biological assets and harvested tea leaves.</li> <li>d. Involved auditors' valuation expert to evaluate the reasonableness of the methodology adopted by the Company.</li> </ol> </li> </ul>

## Independent Auditors' Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>selling prices and quality of tea assessed by the management used in the determination of fair value of such agricultural produce and biological assets.</p>	<ul style="list-style-type: none"> <li>We assessed the appropriateness and adequacy of the disclosures in relation to the biological assets and harvested tea leaves.</li> </ul> <p>Based on the above procedures performed, the management's assessment of the fair value of biological assets and harvested tea leaves was considered to be reasonable.</p>
<p><b>Other Information</b></p> <p>5. The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and Annexures thereto, Form No. MR - 3 (Secretarial Audit Report), Corporate Governance Report and Form AOC - 1 included in the Annual report, but does not include the financial statements and our auditor's report thereon.</p> <p>Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.</p> <p>We have nothing to report in this regard.</p> <p><b>Responsibilities of management and those charged with governance for the financial statements</b></p> <p>6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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</p>	<p>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.</p> <p>7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.</p> <p><b>Auditor's responsibilities for the audit of the financial statements</b></p> <p>8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.</p> <p>9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:</p> <ul style="list-style-type: none"> <li>Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud</li> </ul>

# Independent Auditors' Report (Contd.)

- may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Report on other legal and regulatory requirements**
13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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 (including other comprehensive income), the Statement of Changes in Equity and 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.
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

## Independent Auditors' Report (Contd.)

opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 (a) to the financial statements;
- ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. There were no derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Kolkata  
May 24, 2019

Amitesh Dutta  
Partner  
Membership No.058507

## Annexure - A to Independent Auditors' Report

Referred to in paragraph 14(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, 2019

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Dhunseri Tea & Industries Limited ("the Company") as of March 31, 2019 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and



## Annexure - A to Independent Auditors' Report (Contd.)

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 with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Amitesh Dutta  
Partner  
Membership No.058507

Kolkata  
May 24, 2019

## Annexure B to Independent Auditors' Report

Referred to in paragraph 13 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, 2019

- 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 3 on Property, Plant and Equipment, Note 4 on Investment Properties and Note 5 on Assets held-for-sale to the standalone financial statements, are held in the name of the Company, except for the following, for reasons set out in Note 3 (a), Note 4 and Note 5 to the standalone financial statements.

Particulars	Class of Assets	Gross Block (Rs. In Lakhs)	Net Block (Rs. In Lakhs)
2 plots of Freehold Land at Assam	Freehold Land	3,186.50	3,186.50
8 plots of Leasehold Land at Assam	Leasehold Land	32,185.59	32,185.59
4 Premises of Buildings	Buildings	180.95	164.06
1 plot of Freehold Land	Investment property	264.23	264.23
1 plot of Freehold Land	Assets Held-for-sale	132.12	132.12

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

Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Profession Tax, though there has been a slight delay in one case, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 33 to the Standalone financial statements regarding management's assessment on certain matters relating to provident fund.
- (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, value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income Tax	60.82 Lakhs	2014-15	Commissioner of Income Tax (Appeals)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

## Annexure - B to Independent Auditors' Report (Contd.)

- |   |   |
|---|---|
| <p>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.</p> <p>x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.</p> <p>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.</p> <p>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.</p> <p>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 standalone financial statements as required under Indian Accounting Standard</p> | <p>(IND AS) 24, Related Party Disclosures specified under Section 133 of the Act.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
|---|---|

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

Amitesh Dutta  
Partner  
Membership No.058507

Kolkata  
May 24, 2019

## Balance Sheet as at March 31, 2019

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Notes	31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant And Equipment	3(a)	49,870.33	50,064.33
(b) Capital work-in-progress	3(b)	969.90	862.73
(c) Investment Properties	4	620.72	1,152.63
(d) Financial Assets			
(i) Investments	6	10,316.55	9,848.46
(ii) Loans	7	5.55	5.44
(iii) Other financial assets	8	570.93	876.33
(e) Non-current Tax Assets (Net)	18(a)	109.51	192.45
(f) Other Non-current Assets	9	123.98	20.66
<b>Total Non-current Assets</b>		<b>62,587.47</b>	<b>63,023.03</b>
<b>(2) Current Assets</b>			
(a) Inventories	10	2,198.26	1,879.83
(b) Biological Assets other than bearer plants	11	48.91	58.77
(c) Financial Assets			
(i) Investments	6	730.35	1,053.03
(ii) Trade receivables	12	3,804.31	3,895.97
(iii) Cash and Cash Equivalents	13	409.19	298.88
(iv) Bank Balances other than (iii) above	14	24.02	17.91
(v) Loans	7	74.66	185.07
(vi) Other Financial Assets	8	284.01	163.64
(d) Other Current Assets	9	781.46	711.04
		<b>8,355.17</b>	<b>8,264.14</b>
Assets held-for-sale	5	564.85	-
<b>Total Current Assets</b>		<b>8,920.02</b>	<b>8,264.14</b>
<b>Total Assets</b>		<b>71,507.49</b>	<b>71,287.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	15(a)	700.50	700.50
(b) Other Equity	15(b)	60,006.22	60,522.47
<b>Total Equity</b>		<b>60,706.72</b>	<b>61,222.97</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	622.92	873.38
(ii) Other Financial Liabilities	17	61.21	66.73
(b) Deferred Tax Liabilities (Net)	18(c)	3,281.22	3,330.72
(c) Other Non-current Liabilities	19	216.80	178.98
<b>Total Non-current Liabilities</b>		<b>4,182.15</b>	<b>4,449.81</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	2,684.96	2,782.19
(ii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		20.99	20.77
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,529.81	1,313.73
(iii) Other Financial Liabilities	17	1,603.24	1,046.61
(b) Employee Benefit Obligations	21	297.97	93.70
(c) Current Tax Liabilities (Net)	18(b)	230.06	154.01
(d) Other Current Liabilities	19	162.59	203.38
		<b>6,529.62</b>	<b>5,614.39</b>
Liabilities classified as held for sale		89.00	-
<b>Total Current Liabilities</b>		<b>6,618.62</b>	<b>5,614.39</b>
<b>Total Equity and Liabilities</b>		<b>71,507.49</b>	<b>71,287.17</b>
Notes forming part of the financial statements	1-47		

The accompanying notes form an integral part of these Financial Statements.  
This is the Balance Sheet referred to in our report of even date.

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

Partner  
Membership No. 058507

Place : Kolkata  
Date : May 24, 2019

R. Mahadevan  
Company Secretary

For and on behalf of the Board of Directors  
C. K. Dhanuka  
Managing Director  
(DIN - 00005684)  
Vikash Jain  
Chief Financial Officer  
Bharat Bajoria  
Director  
(DIN - 00109241)  
P. C. Dhandhanias  
Chief Executive Officer

## Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
I Revenue from operations	22	18,081.27	17,701.63
II Other Income	23	280.22	186.31
III Total Income (I+II)		18,361.49	17,887.94
IV Expenses :			
(a) Cost of materials consumed	24	4,151.02	3,540.84
(b) Changes in inventories of finished goods	25	(191.53)	126.22
(c) Changes in inventories of biological assets	26	9.86	(12.62)
(d) Employee benefits expense	27	7,143.52	6,270.31
(e) Finance costs	28	286.04	446.76
(f) Depreciation expense	29	750.04	743.90
(g) Other expenses	30	5,938.32	6,111.45
Total Expenses		18,087.27	17,226.86
V Profit before tax (III-IV)		274.22	661.08
VI Income Tax expense :			
- Current tax charge / (credit)	31	145.53	130.06
- Deferred tax charge / (credit)	31	(7.07)	(292.37)
Total tax expense		138.46	(162.31)
VII Profit for the year (V-VI)		135.76	823.39
VIII Other comprehensive income (net of tax expense)			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of post-employment benefit obligations	27	(113.62)	131.02
(ii) Fair valuation of equity investments	15 (b)	245.41	850.07
(iii) Income tax (charge) / credit relating to these items that will not be reclassified subsequently to the statement of profit and loss		(108.21)	(139.98)
Other comprehensive income for the year, net of tax		23.58	841.11
IX Total comprehensive income for the year (VII+VIII)		159.34	1,664.50
X Earnings per share			
Basic and Diluted earnings per share (Rs.)	32	1.94	11.75

The accompanying notes form an integral part of these Financial Statements.

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

For Lovelock & Lewes  
Firm Registration No. 301056E  
Chartered Accountants  
Amitesh Dutta  
Partner  
Membership No. 058507

Place : Kolkata  
Date : May 24, 2019

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For and on behalf of the Board of Directors  
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P. C. Dhandhanias  
Chief Executive Officer



## Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ lakhs unless otherwise stated)

A. Equity share capital					
Particulars	Notes	Amount			
As at 01 April 2017		700.50			
Changes in equity share capital during the year	15 (a)	-			
As at 31 March 2018		700.50			
Changes in equity share capital during the year	15 (a)	-			
As at 31 March 2019		700.50			
B. Other equity					
Particulars	Notes	General Reserve	FVOCI - equity instruments	Retained earnings	Total other equity
Balance at 01 April 2018		15,253.22	1,034.61	44,234.64	60,522.47
Profit for the year		-	-	135.76	135.76
Other comprehensive income/(expense) (net of tax)		-	112.67	(89.09)	23.58
Total comprehensive income for the year		-	112.67	46.67	159.34
Dividend	15 (b)	-	-	(560.40)	(560.40)
Tax on dividend	15 (b)	-	-	(115.19)	(115.19)
Transfer in equity		-	-	-	-
Gain on sale of equity shares fair value through other comprehensive income (FVOCI) - equity instruments to retained earnings (net of tax)	15 (b)	-	(811.44)	811.44	-
Balance as at 31 March 2019		15,253.22	335.84	44,417.16	60,006.22
Particulars	Notes	General Reserve	FVOCI - equity instruments	Retained earnings	Total other equity
Balance at 01 April 2017		15,253.22	1,080.82	43,198.41	59,532.45
Profit for the year		-	-	823.39	823.39
Other comprehensive income/(expense) (net of tax)		-	751.81	89.30	841.11
Total comprehensive income for the year		-	751.81	912.69	1,664.50
Dividend	15 (b)	-	-	(560.40)	(560.40)
Tax on dividend	15 (b)	-	-	(114.08)	(114.08)
Transfer in equity		-	-	-	-
Gain on sale of equity shares fair value through other comprehensive income (FVOCI) - equity instruments to retained earnings (net of tax)	15 (b)	-	(798.02)	798.02	-
Balance as at 31 March 2018		15,253.22	1,034.61	44,234.64	60,522.47

The accompanying notes form an integral part of these Financial Statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Lovelock & Lewes  
Firm Registration No. 301056E  
Chartered Accountants  
Amitesh Dutta  
Partner  
Membership No. 058507

Place : Kolkata  
Date : May 24, 2019

R. Mahadevan  
Company Secretary

For and on behalf of the Board of Directors  
C. K. Dhanuka  
Managing Director  
(DIN - 00005684)  
Vikash Jain  
Chief Financial Officer  
Bharat Bajoria  
Director  
(DIN - 00109241)  
P. C. Dhandhanian  
Chief Executive Officer

## Statement of Cash Flows for the year ended March 31, 2019

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	274.22	661.08
Adjustments for:		
Depreciation expense	750.04	743.90
Interest income	(50.53)	(68.01)
Guarantee fee income	(21.08)	(32.79)
Income from government grant	(3.36)	(2.06)
Current Investment Written off	0.63	-
Gain on investments classified as fair value through profit or loss	(35.23)	(15.03)
Gain on investments classified as fair value through profit or loss arising on sale	(27.46)	-
Gain on sale of subsidiary	-	(27.81)
Finance cost	286.04	446.76
Liabilities no longer required written back	(31.17)	(12.23)
(Gain)/loss on disposal of property, plant and equipment	(0.82)	-
Unrealised exchange (gain)/loss	(44.70)	150.53
Dividend income	(21.32)	(11.67)
<b>Operating Profit (Loss) before working capital changes</b>	<b>1,075.26</b>	<b>1,832.67</b>
Adjustments for:		
Inventories	(318.43)	28.27
Non-Current/Current financial and other assets	175.46	(98.83)
Non-Current/Current financial and other liabilities/provisions	733.46	60.89
<b>Cash Generated from Operations</b>	<b>1,665.75</b>	<b>1,823.00</b>
Taxes paid	(150.64)	(376.34)
<b>Net cash inflow from operating activities</b>	<b>1,515.11</b>	<b>1,446.66</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(709.24)	(496.62)
Proceeds from disposal of property, plant and equipment	1.21	-
Advance received against investment property	89.00	-
Purchase of investment property	(32.94)	(15.36)
(Increase)/Decrease in loan to subsidiary	109.73	(1.18)
Purchase of current investment	(1,275.00)	(2,200.00)
Proceeds from sale of current investment	1,659.74	1,324.09
Purchase of non-current investments	(3,375.34)	(5,999.83)
Proceeds from sale of non-current investment	3,189.73	7,083.61
Investment in subsidiary	-	(267.65)
Proceeds from sale of investment in subsidiary	-	408.81
Government Grant Received	58.92	53.81
Dividend received	21.32	11.67
Interest received	55.16	75.29
<b>Net cash outflow from investing activities</b>	<b>(207.71)</b>	<b>(23.36)</b>

## Statement of Cash Flows for the year ended March 31, 2019 (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid (including tax thereon)	(675.59)	(668.80)
Finance cost paid	(338.77)	(422.22)
Proceeds from		
- Long term borrowings	-	1,000.00
- Short term borrowings	2,598.74	4,022.40
Repayment of		
- Long term borrowings	(130.22)	(4.73)
- Short term borrowings	(2,651.25)	(5,182.32)
<b>Net cash outflow from financing activities</b>	<b>(1,197.09)</b>	<b>(1,255.67)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>110.31</b>	<b>167.63</b>
Cash and cash equivalents at the beginning of the year	298.88	131.25
Cash & cash equivalents at the end of the year	409.19	298.88
<b>Cash and Cash Equivalents comprise :</b>		
Cash in hand	34.25	21.15
Current accounts	218.22	256.40
Cash credit	156.72	21.33
	<b>409.19</b>	<b>298.88</b>

The accompanying notes form an integral part of these Financial Statements.

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

For Lovelock & Lewes  
Firm Registration No. 301056E  
Chartered Accountants  
Amitesh Dutta  
Partner  
Membership No. 058507

Place : Kolkata  
Date : May 24, 2019

R. Mahadevan  
Company Secretary

For and on behalf of the Board of Directors  
C. K. Dhanuka  
Managing Director  
(DIN - 00005684)  
Vikash Jain  
Chief Financial Officer

Bharat Bajoria  
Director  
(DIN - 00109241)  
P. C. Dhandhanian  
Chief Executive Officer

# Notes to Financial Statements

## Note 1 COMPANY INFORMATION

Dhunseri Tea & Industries Limited (the "Company") is a Company limited by shares, incorporated and domiciled in India. The Company is engaged in cultivation, manufacture and sale of tea. Its shares are listed on Bombay Stock Exchange Ltd. and National Stock Exchange Ltd.

The standalone financial statements as at 31 March 2019 present the financial position of the Company.

The standalone financial statements for the year ended 31 March 2019 were approved by the Board of Directors and authorised for issue on 24 May 2019.

## Note 2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a) Basis for preparation

#### (i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act (Refer Note 2 (i) and Note 47).

#### (ii) Historical cost convention

The standalone financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### b) Property, plant and equipment

(i) Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(ii) Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.

(iii) Capital work in progress is stated at cost incurred during construction/installation period relating to items or projects in progress.

(iv) Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

(v) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Class of assets	Estimated useful life (in years)
Bearer plants	72
Buildings	3 – 60
Plant and Equipment	3 – 15
Furniture and Fixtures	5-10
Vehicles	8 – 10

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

### c) Impairment of Assets

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.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## Notes to Financial Statements (Contd.)

### d) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Statement of Profit and Loss.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### Financial assets

##### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

##### Other bank balances

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

##### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets measured at fair value

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the Statement of Profit and Loss' (FVPL).

##### Impairment of financial assets

The Company assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Company recognises loss allowance for expected credit losses on financial asset.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.



## Notes to Financial Statements (Contd.)

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### Financial liabilities and equity instruments

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

#### De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### e) Inventories

Finished Goods and Stores and Spare parts are stated at lower of cost and net realisable value. Cost of Finished Goods comprise direct material [cost of green leaf harvested from own gardens ("agricultural produce") / purchased green leaves] and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Agricultural produce (being green leaf harvested from own gardens) is measured at the fair value less cost to sell at the point of harvest of tea leaves.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### f) Biological assets

Tea leaves growing on tea bushes are measured at fair value less cost to sell with changes in fair value recognised in Statement of Profit and Loss.

### g) Employee Benefits

#### (i) Short term employee benefits

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

## Notes to Financial Statements (Contd.)

### (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.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have a unconditional right to defer its settlement for twelve months after the reporting date.

### (iii) Post employment benefit plans

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. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

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) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

## h) Foreign currency transactions

### *Functional and presentation currency*

The financial statements of the Company are presented in Indian rupees (Rs.), which is the functional currency of the Company and the presentation currency for the financial statements.

### *Transactions and balances*

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Monetary assets and liabilities related to 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 in the period in which they arise.

## i) Revenue Recognition (Refer Note 46)

Revenue is measured at fair value of consideration received or receivable, net of discounts and taxes and duties collected on behalf of the government, taking into account the contractually defined terms.

### *Sales of goods*

The Company is in the business of cultivation, manufacturing and selling of tea in the market. Under Ind AS 115 sales are recognized when control of the products has transferred, being when products are delivered to the customer, the customer has full discretion over the goods and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products has been shipped to the specific location as the case may be, the risks of obsolescence and loss have been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice for the industry.

## Notes to Financial Statements (Contd.)

A Receivable is recognized when the goods are delivered as this is point in time that the consideration is unconditional because only passage of time is required before the payment is due.

### *Sale of services*

Income from services is accounted at a point in time as per the assessment of Ind AS 115. No revenue is recognized if there are significant uncertainties regarding recovery of the amount due and associated costs.

### *Interest income*

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

### *Dividend income*

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

### *Rental income*

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

## **j) Borrowing costs**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## **k) Taxes on income**

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

## Notes to Financial Statements (Contd.)

### l) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Company as lessee

- (i) **Operating lease** – Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.
- (ii) **Finance lease** – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss over the period of the lease.

### m) Government Grants

- (i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- (ii) Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- (iii) Government grants relating to the purchase of property, plant and equipment are included in other liabilities as deferred income and are credited to Statement of Profit and Loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### n) 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.

### o) Research and development expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in property, plant and equipment.

### p) Earnings per share

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

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

## Notes to Financial Statements (Contd.)

### q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of directors of the Company has been identified as being the chief operating decision maker. Refer note 39 for segment information presented.

### r) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgments and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment, impairment of investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, fair value of biological asset & harvested tea leaves (agricultural produce) and commitments & contingencies.

### s) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The investment properties held by the Company comprise only of freehold land, hence there is no depreciation.

### t) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less cost to sell. A gain is recognized for any subsequent increases in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-current asset classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a Non-current asset classified as held for sale are presented separately from other liabilities in the balance sheet.

### u) Rounding off amount

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### v) Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has issued Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30 March 2019. The rules among other key amendments to Ind AS 12, Income Taxes, Ind AS 23, Borrowing Costs Ind AS 19, Employee Benefits, notify Ind AS 116 - Leases. These rules come into force from 1 April 2019. The Company is evaluating the requirements of the amendments and the effect on the financial statements is being evaluated.



## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 3(a) PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1 April 2018	Additions during the Year	Disposal / Adjustments during the Year	As at 31 March 2019	As at 1 April 2018	Depreciation for the Year	Disposals / Adjustments during the Year	As at 31 March 2019	As at 31 March 2019
Freehold land	3,186.50	-	-	3,186.50	-	-	-	-	3,186.50
Leasehold land	32,185.59	-	-	32,185.59	-	-	-	-	32,185.59
Bearer plants	10,667.07	261.55	-	10,928.62	475.89	242.24	-	718.13	10,210.49
Buildings	2,427.34	19.75	-	2,447.09	591.95	108.42	-	700.37	1,746.72
Plant and equipment	3,388.89	181.86	-	3,570.75	1,125.44	303.56	-	1,429.00	2,141.75
Furniture and fixtures	389.98	4.30	-	394.28	196.13	46.75	-	242.88	151.40
Vehicles	437.36	88.97	7.74	518.59	228.99	49.07	7.35	270.71	247.88
31 March, 2019	52,682.73	556.43	7.74	53,231.42	2,618.40	750.04	7.35	3,361.09	49,870.33

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1 April 2017	Additions during the Year	Disposal / Adjustments during the Year	As at 31 March 2018	As at 1 April 2017	Depreciation for the Year	Disposals / Adjustments during the Year	As at 31 March 2018	As at 31 March 2018
Freehold land	3,186.50	-	-	3,186.50	-	-	-	-	3,186.50
Leasehold land	32,185.59	-	-	32,185.59	-	-	-	-	32,185.59
Bearer plants	10,468.13	198.94	-	10,667.07	236.67	239.22	-	475.89	10,191.18
Buildings	2,397.73	29.61	-	2,427.34	482.02	109.93	-	591.95	1,835.39
Plant and equipment	3,291.00	97.89	-	3,388.89	827.54	297.90	-	1,125.44	2,263.45
Furniture and fixtures	384.36	5.62	-	389.98	149.03	47.10	-	196.13	193.85
Vehicles	425.66	11.70	-	437.36	179.24	49.75	-	228.99	208.37
31 March, 2018	52,338.97	343.76	-	52,682.73	1,874.50	743.90	-	2,618.40	50,064.33

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

- Freehold Land represents two tea estates located at Assam, acquired through partnership with an HUF/ pursuant to a Scheme of Amalgamation.
- Leasehold Land represents eight tea estates located at Assam, which were acquired pursuant to a Scheme of Amalgamation.
- Building, includes [Gross carrying amount and Net carrying amounting to Rs. 180.95 lakhs (31 March 2018 : Rs. 180.95 lakhs) and Rs. 164.06 lakhs (31 March 2018 : Rs. 167.44 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 mentioned in Note(a) above, for which the title deeds are yet to be transferred as at 31 March 2019.

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 3(a) PROPERTY, PLANT AND EQUIPMENT (Contd.)

- (b) Gross carrying amount and Accumulated Depreciation includes building on rented land amounting to Rs. 555.20 lakhs (31 March 2018 : Rs. 555.20 lakhs) and Rs. 52.01 lakhs (31 March 2018: Rs. 41.37 lakhs) respectively.
- (c) Property, plant and equipment pledged as security  
The Company has borrowed from bank which carry charge on certain property, plant and equipment (Refer Note 35).
- (d) Contractual obligations  
Refer to Note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (e) Aggregate amount of depreciation has been included under depreciation and amortisation expenses in the Statement of Profit and Loss. (Refer Note 29)

### Note 3(b) CAPITAL WORK-IN-PROGRESS

Particulars	a As at 1 April 2018	b Addition	c Capitalised during the year	d= (a+b-c) Closing as at 31 March 2019
Capital work-in-progress	862.73	368.72	(261.55)	969.90

Particulars	a As at 1 April 2017	b Addition	c Capitalised during the year	d= (a+b-c) Closing as at 31 March 2018
Capital work-in-progress	639.16	422.51	(198.94)	862.73

### Note 4 INVESTMENT PROPERTIES

Particulars	31 March 2019	31 March 2018
Gross carrying amount		
Opening gross carrying amount / Deemed cost	1,152.63	773.73
Additions	32.94	378.90
Transfer to held for sale	(564.85)	-
Closing carrying amount	620.72	1,152.63

Investment Property includes Rs.264.23 lakhs (31 March 2018 : Rs. 396.35 lakhs) being freehold land which were acquired pursuant to the Scheme of Arrangement for which title deeds are not held in the name of the Company.

- (i) Amounts recognised in profit or loss for investment properties

Particulars	31 March 2019	31 March 2018
Direct operating expenses of property that did not generate rental income	1.71	1.57
Profit/(loss) from investment properties	(1.71)	(1.57)

- (ii) Fair value

Particulars	31 March 2019	31 March 2018
Investment properties	2,115.18	3,438.71

### Estimation of fair value

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. The valuation is based on valuations performed by an accredited independent valuer. Fair value estimates for investment properties are included in level 3.

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 5 ASSETS HELD FOR SALE

During the year ended March 31, 2019, the management has decided to sell certain lands forming part of investment property. The sale is expected to be completed within next 12 months.

Particulars	31 March 2019	31 March 2018
Land	564.85	-

Land classified as held for sale during the reporting period was measured at lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of land was determined using the sales comparison approach. This is level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosure.

Land classified as held for sale includes Rs.132.12 lakhs (31 March 2018 : Nil) being freehold land which were acquired pursuant to the Scheme of Arrangement for which title deeds are not held in the name of the Company.

### Note 6 INVESTMENTS

Particulars	Face value	31 March 2019	31 March 2018
<b>Non Current</b>			
<b>A. Investments carried at cost</b>			
(i) Equity Investments in Subsidiary Company - Unquoted 1,19,93,991 (31 March 2018: 1,19,39,844) equity shares of Dhunseri Petrochem & Tea Pte Ltd. #	US\$ 1	6,734.68	6,697.61
<b>B. Investments carried at fair value through other comprehensive income:</b>			
<b>Investments in Equity shares</b>			
(i) <b>Quoted</b>			
4,450 (31 March 2018: Nil) equity shares of APL Apollo Tubes Limited	10	64.16	-
287 (31 March 2018: Nil) equity shares of Bharat Rasayan Limited	10	11.82	-
33,150 (31 March 2018: Nil) equity shares of Caplin Point Laboratories Limited	2	133.16	-
21,260 (31 March 2018: Nil) equity shares of Divi's Laboratories Limited	2	362.08	-
24,350 (31 March 2018: Nil) equity shares of Deepak Nitrite Limited	2	66.76	-
15,000 (31 March 2018: 15,000 ) equity shares of Escorts Limited	10	119.41	122.72
610 (31 March 2018: Nil ) equity shares of Excel Crop Care Limited	5	22.06	-
Nil (31 March 2018: 66,800 ) equity shares of Graphite India Limited	2	-	485.03
7,000 (31 March 2018: Nil ) equity shares of Gujarat Fluorochemicals Limited	1	77.33	-
5,083 (31 March 2018: Nil ) equity shares of GlaxoSmithKline Pharmaceuticals Limited	10	65.95	-
7,526 (31 March 2018: Nil ) equity shares of HDFC Assets Management Company Limited	5	115.44	-
Nil (31 March 2018: 160,000) equity shares of Hindustan Oil Exploration Co. Limited	10	-	176.72
60,810 (31 March 2018: Nil) equity shares of ICICI Bank Limited	2	243.54	-
8,32,000 (31 March 2018: Nil) equity shares of IDFC First Bank Limited	10	461.76	-
2,37,529 (31 March 2018: Nil) equity shares of Orient Electric Limited*	1	362.11	-
12,900 (31 March 2018: 5,000 ) equity shares of Kotak Mahindra Bank Limited	5	172.15	52.39
22,350 (31 March 2018: Nil) equity shares of Motherhood Sumi Systems Limited	1	33.46	-
Nil (31 March 2018: 28,667) equity shares of Shree Pushkar Chemicals & Fertilisers Limited	10	-	58.25

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 6 INVESTMENTS (Contd.)

Particulars	Face value	31 March 2019	31 March 2018
<b>Non Current</b>			
<b>B. Investments carried at fair value through other comprehensive income:</b>			
<b>Investments in Equity shares</b>			
(i) <i>Quoted (Contd.)</i>			
1,62,500 (31 March 2018: Nil) equity shares of Spencer's Retail Limited	5	260.00	-
Nil (31 March 2018: 141,000) equity shares of Spicejet Limited	10	-	176.46
83,300 (31 March 2018: Nil) equity shares of Sterlite Technologies Limited	2	181.97	-
Nil (31 March 2018: 129,000) equity shares of Torrent Power Limited	10	-	295.73
20,800 (31 March 2018: 33,300) equity shares of Titan Company Limited	1	237.50	313.79
19,950 (31 March 2018: Nil) equity shares of Varun Beverages Limited	10	172.90	-
Nil (31 March 2018: 142,860) equity shares of AU Small Finance Bank Limited	10	-	882.95
		<b>3,163.56</b>	<b>2,564.04</b>
(ii) <i>Unquoted</i>			
11,00,000 (31 March 2018: 600,000) equity shares of Mira Estates Private Limited	10	106.81	63.85
29,90,000 (31 March 2018: 29,90,000) equity shares of Dhunseri Overseas Private Limited	10	311.50	288.57
Nil (31 March 2018: 180,000) equity shares of Orient Electric Limited*	1	-	234.39
		<b>418.31</b>	<b>586.81</b>
<b>Total Non-Current Investments</b>		<b>10,316.55</b>	<b>9,848.46</b>
<b>Current</b>			
<b>Investment in mutual funds at FVPL</b>			
<b>Quoted</b>			
Nil (31 March 2018: 147) units in HDFC Top 200 mutual fund growth plan	10	-	0.63
25,033.03 (31 March 2018: 38,754.07) units in SBI Premier Liquid Fund - Regular Plan - Growth	1,000	730.35	1,052.40
<b>Total Current Investments</b>		<b>730.35</b>	<b>1,053.03</b>
# The Company has made an investment of Rs. 37.10 lakhs in its wholly owned subsidiary during the year (issued against outstanding receivables) to meet its business objectives.			
* Shares of Orient Electric Limited were listed during the current year.			
(a) <b>Aggregate amount of quoted investments and market value thereof</b>		<b>3,893.91</b>	<b>3,617.07</b>
(b) <b>Aggregate amount of unquoted investments</b>		<b>7,152.99</b>	<b>7,284.42</b>

### Note 7 LOANS

Particulars	31 March 2019	31 March 2018
<b>Non-current</b>		
Considered good-Unsecured		
Loans to employees	5.55	5.44
<b>Total Non Current Loans</b>	<b>5.55</b>	<b>5.44</b>

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 7 LOANS (Contd.)

Particulars	31 March 2019	31 March 2018
<b>Current</b>		
Considered good-Unsecured		
Loan to subsidiary #	69.17	178.90
Loans to employees	5.49	6.17
<b>Total Current Loans</b>	<b>74.66</b>	<b>185.07</b>

# The loan give for business purpose and carried at an interest rate of 7.75% (Refer Note 40)

### Note 8 OTHER FINANCIAL ASSETS

Particulars	31 March 2019	31 March 2018
<b>Non-current</b>		
Deposit with NABARD	313.50	628.34
Security deposits		
- with related party	54.11	49.45
- with others	203.32	198.54
<b>Total Other Non Current Financial Assets</b>	<b>570.93</b>	<b>876.33</b>
<b>Current</b>		
Deposit with NABARD	250.00	125.00
Interest accrued on deposits	34.01	38.64
<b>Total Other Current Financial Assets</b>	<b>284.01</b>	<b>163.64</b>

### Note 9 OTHER ASSETS

Particulars	31 March 2019	31 March 2018
<b>Non-Current</b>		
Capital advances	111.79	8.00
Advances other than capital advances		
Prepaid expenses	10.27	6.17
Advance operating lease rental	1.92	6.49
<b>Total Other Non-Current Assets</b>	<b>123.98</b>	<b>20.66</b>
<b>Current</b>		
Deposit with Government authorities	151.40	226.92
Prepaid expenses	27.75	38.89
Advance to suppliers / service providers	597.74	440.66
Advance operating lease rental	4.57	4.57
<b>Total Other Current Assets</b>	<b>781.46</b>	<b>711.04</b>

### Note 10 INVENTORIES

Particulars	31 March 2019	31 March 2018
At lower of cost and net realisable value		
Finished goods (includes in transit - 31 March 2019: Rs 98.77 lakhs, 31 March 2018: Rs 40.25 lakhs)	1,028.19	836.66
Stores and spares including packing materials (includes in transit - 31 March 2019: Rs 19.30 lakhs, 31 March 2018: Rs 98.43 lakhs)	1,170.07	1,043.17
<b>Total Inventories</b>	<b>2,198.26</b>	<b>1,879.83</b>

### Note 11 BIOLOGICAL ASSETS OTHER THAN BEARER PLANT

Particulars	31 March 2019	31 March 2018
Fair Value of Biological asset other than Bearer plant	48.91	58.77
<b>Closing stock of biological assets</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Weight (in lakh kgs)	1.95	2.13



## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 11 BIOLOGICAL ASSETS OTHER THAN BEARER PLANT (Contd.)

Movement of biological asset is presented below:

Particulars	31 March 2019	31 March 2018
As at Opening date	58.77	46.15
Net change in fair value less estimated costs to sell	5,904.86	6,759.21
Decreases due to harvest / physical changes	(5,914.72)	(6,746.59)
As at Closing date	48.91	58.77

### Note 12 TRADE RECEIVABLES

Particulars	31 March 2019	31 March 2018
Current		
Considered good-Unsecured	3804.31	3,895.97
Credit impaired	-	5.05
	3,804.31	3,901.02
Less : Credit impaired	-	(5.05)
Total Trade Receivables	3,804.31	3,895.97

### Note 13 CASH AND CASH EQUIVALENTS

Particulars	31 March 2019	31 March 2018
Cash and cash equivalents		
Cash on hand	34.25	21.15
Balances with bank		
- in Current accounts	218.22	256.40
- in Cash credit accounts	156.72	21.33
Total Cash and Cash Equivalents	409.19	298.88

### Note 14 OTHER BANK BALANCES

Particulars	31 March 2019	31 March 2018
Unpaid dividend accounts*	24.02	17.91
Total Other Bank Balances	24.02	17.91

\* Earmarked for payment of unclaimed dividend.

### Note 15 EQUITY SHARE CAPITAL AND OTHER EQUITY

#### Note 15 (a): EQUITY SHARE CAPITAL

##### Authorised equity share capital

Particulars	31 March 2019	31 March 2018
7,500,000 (31 March 2018: 7,500,000) Equity Shares of Rs. 10/- each	750.00	750.00
Total	750.00	750.00

##### Issued, subscribed and paid-up equity share capital

Particulars	31 March 2019	31 March 2018
7,004,951 Equity Shares of Rs. 10/- each	700.50	700.50
(31 March 2018: 7,004,951 Equity Shares of Rs. 10 each fully paid up)		
Total	700.50	700.50

##### (i) Movement in equity share capital

Particulars	31 March 2019	31 March 2018
Opening balance	700.50	700.50
Changes in equity share capital	-	-
Closing balance	700.50	700.50

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 15 (a) EQUITY SHARE CAPITAL (Contd.)

#### Terms and rights attached to equity shares

The Company has one class of equity share having a par value of Rs 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.

#### (ii) Details of shareholders holding more than 5% of Issued, Subscribed and Paid-up Share

Shareholder	31 March 2019		31 March 2018	
	Number of Shares	% of holding	Number of Shares	% of holding
Dhunseri Investments Limited	3,206,397	45.77%	3,206,397	45.77%
Naga Dhunseri Group Limited	615,751	8.79%	615,751	8.79%
<b>Total</b>	<b>3,822,148</b>	<b>54.56%</b>	<b>3,822,148</b>	<b>54.56%</b>

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

### Note 15 (b) OTHER EQUITY

Particulars	31 March 2019	31 March 2018
General reserve [Refer (i) below]	15,253.22	15,253.22
Fair value through other comprehensive income (FVOCI) - equity instruments [Refer (ii) below]	335.84	1,034.61
Retained earning [Refer (iii) below]	44,417.16	44,234.64
<b>Total Other equity</b>	<b>60,006.22</b>	<b>60,522.47</b>

#### (i) General Reserve

Particulars	31 March 2019	31 March 2018
Opening balance	15,253.22	15,253.22
Add: Transfer from Retained Earning	-	-
<b>Closing balance</b>	<b>15,253.22</b>	<b>15,253.22</b>

#### (ii) Fair value through other comprehensive income (FVOCI) - equity instruments

Particulars	31 March 2019	31 March 2018
Opening balance	1,034.61	1,080.82
Change in fair value of FVOCI equity instruments (net of tax)	112.67	751.81
Gain on sale of equity instruments transferred to retained earning (net of tax)	(811.44)	(798.02)
<b>Closing balance</b>	<b>335.84</b>	<b>1,034.61</b>

#### (iii) Retained earning

Particulars	31 March 2019	31 March 2018
Opening balance	44,234.64	43,198.41
Add : Net Profit/(Loss) for the year	135.76	823.39
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
Add : Remeasurement of post-employment benefit obligation (net of tax)	(89.09)	89.30
Less : Proposed Dividend on Equity Shares for the year	(560.40)	(560.40)
Less : Dividend Distribution Tax	(115.19)	(114.08)
Add : Gain on sale of equity instruments transferred from FVOCI- equity instruments (net of tax)	811.44	798.02
<b>Closing balance</b>	<b>44,417.16</b>	<b>44,234.64</b>

#### Nature and purpose of other reserves

##### (i) General Reserve

General Reserve is a free reserve not meant for meeting any specific liability, contingency or commitment. General Reserve is created and utilised in compliance with the provisions of the Act.

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### (ii) Fair value through other comprehensive income (FVOCI)- equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

#### Note 16 BORROWINGS

Particulars	31 March 2019	31 March 2018
<b>Non-Current</b>		
<b>Secured</b>		
Term Loans:		
From Bank [Refer note (a) below]	876.57	1,003.38
	876.57	1,003.38
Less: Current maturities of long term borrowings	253.65	130.22
Add: Interest accrued on non-current borrowings	-	0.22
<b>Total Non-Current Borrowings</b>	<b>622.92</b>	<b>873.38</b>
<b>Current</b>		
<b>Secured</b>		
Loans repayable on demand from Banks [Refer note (b) below]	623.87	662.68
<b>Unsecured</b>		
Other Loans from Banks	500.00	500.00
Foreign currency loan	1,554.05	1,612.45
	2,677.92	2,775.13
Add: Interest accrued on current borrowings	7.04	7.06
<b>Total Current Borrowings</b>	<b>2,684.96</b>	<b>2,782.19</b>

#### Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

Particulars	31 March 2019	31 March 2018
Cash and cash equivalents	409.19	298.88
Non-current borrowings	(622.92)	(873.38)
Current borrowings	(2,684.96)	(2,782.19)
Current maturities of long term borrowings	(253.65)	(130.22)
<b>Total</b>	<b>(3,152.34)</b>	<b>(3,486.91)</b>

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
Net debt as at 1 April 2017	131.25	(17.48)	(3,712.13)	(3,598.36)
Cash flows	167.63	(995.27)	1,159.92	332.28
Interest expense	-	(35.21)	(411.55)	(446.76)
Interest paid	-	34.99	332.10	367.09
<b>Non-cash movements:</b>				
Unrealised foreign exchange	-	-	(150.53)	(150.53)
Unamortised premium on long term borrowings	-	9.37	-	9.37
<b>Net debt as at 31 March 2018</b>	<b>298.88</b>	<b>(1,003.60)</b>	<b>(2,782.19)</b>	<b>(3,486.91)</b>

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 16 BORROWINGS (Contd.)

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
Net debt as at 1 April 2018	298.88	(1,003.60)	(2,782.19)	(3,486.91)
Cash flows	110.31	130.22	52.51	293.04
Interest expense	-	(87.24)	(251.28)	(338.52)
Interest paid	-	87.47	251.30	338.77
Non-cash movements:				
Unrealised foreign exchange	-	-	44.70	44.70
Unamortised premium on long term borrowings	-	(3.42)	-	(3.42)
Net debt as at 31 March 2019	409.19	(876.57)	(2,684.96)	(3,152.34)

(a) Repayment terms and nature of securities given for term loans from banks are as follows:

Particulars	31 March 2019	31 March 2018
Auto Loan from a bank	7.53	12.75
Term Loan from a bank	869.04	990.63
	876.57	1,003.38

Figures indicated in (a) above includes current maturities of respective borrowings.

#### Auto Loan from a bank

##### Nature of Security

Term Loans (auto loans) from bank amounting to Rs 7.53 lakhs (31 March 18: ₹ 12.75 lakhs) are secured by hypothecation of respective vehicles.

##### Repayment Terms

Equated Monthly Installments beginning from the month subsequent to taking of the Loans.

#### Term Loan from a bank

##### Nature of Security

Term Loan from Banks amounting to Rs 869.04 lakhs (31 March 18 : Rs 990.63 lakhs) is secured by way of first pari-passu charge on immovable / movable properties pertaining to Company's tea gardens. (refer note 35)

##### Repayment Terms

Repayable in 16 Quarterly installments commencing from 31 December 2018, after a moratorium period of one year from the date of disbursement.

### (b) Repayment terms and nature of securities given for short term borrowings

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, 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. For details refer note 35.

### Note 17 OTHER FINANCIAL LIABILITIES

Particulars	31 March 2019	31 March 2018
Non-Current		
Payable to related parties		
Security deposits	50.00	45.70
Others		
Lease equalisation account	11.21	21.03
Total Other Non-Current Financial Liabilities	61.21	66.73

## Notes to Financial Statement (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 17 OTHER FINANCIAL LIABILITIES (Contd.)

Particulars	31 March 2019	31 March 2018
<b>Current</b>		
Current maturities of long-term debts	253.65	130.22
Liability for capital goods	18.20	29.43
Unpaid dividends #	24.02	17.91
Accrued employee benefits	1,296.35	857.33
Lease equalisation account	11.02	11.72
<b>Total Other Current Financial Liabilities</b>	<b>1,603.24</b>	<b>1,046.61</b>

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

### Note 18 TAXES

#### (a) Non-current tax asset

Particulars	31 March 2019	31 March 2018
Non-current tax asset (net)	109.51	192.45
	109.51	192.45

#### (b) Current tax liability

Particulars	31 March 2019	31 March 2018
Current tax liability (net)	230.06	154.01
	230.06	154.01

#### (c) Deferred tax liability

Particulars	31 March 2019	31 March 2018
<b>Deferred tax liabilities</b>		
Property, plant and equipment	3,558.64	3,538.29
<b>Gross deferred tax liability</b>	<b>3,558.64</b>	<b>3,538.29</b>
<b>Deferred tax assets</b>		
MAT credit entitlement	278.43	160.00
Others	(1.01)	47.57
<b>Gross deferred tax asset</b>	<b>277.42</b>	<b>207.57</b>
<b>Net deferred tax liability</b>	<b>3,281.22</b>	<b>3,330.72</b>

#### Movement in deferred tax assets/(liability)

Particulars	Property, plant & equipment and Intangible asset	MAT Credit Entitlement	Others (net)	Total
At 01 April 2017	3,802.43	-	(85.58)	3,716.85
Charged/(credited):				
- to profit or loss	(264.14)	(69.72)	41.49	(292.37)
- to other comprehensive income	-	(90.28)	(3.48)	(93.76)
At 31 March 2018	3,538.29	(160.00)	(47.57)	3,330.72
Charged/(credited):				
- to profit or loss	20.35	(24.13)	(3.29)	(7.07)
- to other comprehensive income	-	(94.30)	51.87	(42.43)
At 31 March 2019	3,558.64	(278.43)	1.01	3,281.22

Refer note 31 for Income tax expense and reconciliation.

### Note 19 OTHER LIABILITIES

Particulars	31 March 2019	31 March 2018
<b>Non-current</b>		
Deferred guarantee income	25.25	41.22
Deferred income on account of government grant#	191.55	137.76
<b>Total Other Non-Current Liabilities</b>	<b>216.80</b>	<b>178.98</b>



## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 19 OTHER LIABILITIES (Contd.)

Particulars	31 March 2019	31 March 2018
<b>Current</b>		
Statutory dues	141.98	177.21
Operating lease rentals received in advance	-	3.94
Deferred guarantee income	16.74	20.14
Deferred income on account of government grant#	3.87	2.09
<b>Total Other Current Liabilities</b>	<b>162.59</b>	<b>203.38</b>

# During the year the Company has recognised Rs. 3.36 lakhs (31 March 2018: 2.06 lakhs) in other income on account of government grants.

### Note 20 TRADE PAYABLES

Particulars	31 March 2019	31 March 2018
<b>Current</b>		
Dues of Micro and Small Enterprises [Refer (a) below]	20.99	20.77
Dues to other than Micro and Small Enterprises	1,529.81	1313.73
<b>Total Trade Payables</b>	<b>1,550.80</b>	<b>1,334.50</b>

(a) The amount due to Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company. The disclosures relating to Micro and Small Enterprises are as below :

Particulars	31 March 2019	31 March 2018
(i) The principal amount remaining unpaid to supplier as at the end of the year	20.99	20.77
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

### Note 21 EMPLOYEE BENEFIT OBLIGATION

Particulars	31 March 2019	31 March 2018
<b>Current</b>		
Leave obligations	104.49	93.70
Gratuity	193.48	-
<b>Total Employee Benefit Obligation</b>	<b>297.97</b>	<b>93.70</b>

Refer to Note 27 for further disclosures on employee benefit obligations.

### Note 22 REVENUE FROM OPERATIONS

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### Revenue streams

Particulars	31 March 2019	31 March 2018
Revenue from contracts with customers		
Sale of products - Loose and packet tea	17,552.76	17,697.03
Sale of services - Business Management and Consultancy	526.29	-
Other operating revenues	2.22	4.60
<b>Total Revenue from operations</b>	<b>18,081.27</b>	<b>17,701.63</b>

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 23 OTHER INCOME

Particulars	31 March 2019	31 March 2018
Interest income (on instruments carried at amortised cost)	50.53	68.01
Foreign exchange gain (net)	70.31	-
Guarantee fee income	21.08	32.79
Gain on investments classified as fair value through profit or loss	35.23	2.40
Gain on investments classified as fair value through profit or loss arising on sale	27.46	12.63
Gain on sale of a subsidiary	-	27.81
Insurance claim	0.47	5.60
Rental income	5.14	5.14
Dividend income (on equity instruments designated as FVOCI)	21.32	11.67
Liabilities no longer required written back	31.17	12.23
Profit on sale of property, plant and equipment	0.82	-
Income from government grant	3.36	2.06
Miscellaneous Income	13.33	5.97
<b>Total Other Income</b>	<b>280.22</b>	<b>186.31</b>

### Note 24 COST OF MATERIALS CONSUMED

Particulars	31 March 2019	31 March 2018
Green leaf (all indigenous)-purchased and consumed	4,151.02	3,540.84
<b>Total Cost of Materials Consumed</b>	<b>4,151.02</b>	<b>3,540.84</b>

### Note 25 CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year		
Finished Goods - Tea	836.66	962.88
Balance at the end of year		
Finished Goods - Tea	1,028.19	836.66
<b>Total (Increase)/Decrease in Finished Goods</b>	<b>(191.53)</b>	<b>126.22</b>

### Note 26 CHANGES IN INVENTORY OF BIOLOGICAL ASSETS

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year		
Balance of unplucked green leaves	58.77	46.15
Balance at the end of year		
Balance of unplucked green leaves	48.91	58.77
<b>Net (increase)/decrease in biological assets</b>	<b>9.86</b>	<b>(12.62)</b>

### Note 27 EMPLOYEE BENEFIT EXPENSES

Particulars	31 March 2019	31 March 2018
Salaries, wages and bonus	5,928.25	5,094.16
Contribution to provident and other funds	692.36	664.44
Staff welfare expenses	522.91	511.71
<b>Total employee benefit expenses</b>	<b>7,143.52</b>	<b>6,270.31</b>

During the year, the Company recognised an amount of Rs. 43.12 lakhs (2017-18: Rs. 33.25 lakhs) as remuneration to key managerial personnel. The detail is as below :

Particulars	31 March 2019	31 March 2018
Short-term employee benefits	36.53	29.67
Post employment benefits	6.59	3.58
<b>Total compensation</b>	<b>43.12</b>	<b>33.25</b>

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 27 EMPLOYEE BENEFIT EXPENSES (Contd.)

#### (i) Leave Obligations

##### (a) 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.

##### (b) Compensated Absences

Compensated absences cover the Company's liability for sick and earned leave. As the Company does not have an unconditional right to defer the payment beyond 12 months the entire amount has been treated as current.

#### (ii) Defined Contribution Plan

**Provident Fund:** The Company contributes 12% of the basic salary of employees towards Provident Fund Scheme to the relevant provident fund authorities (Regional Provident Fund Commissioner/ Assam Tea Plantation Provident Fund account).

The Company contributed Rs. 591.57 lakhs and Rs. 512.65 lakhs during the year ended 31 March 2019 and 31 March 2018 respectively.

**Superannuation Fund:** The Company provides for Superannuation benefit to certain employees wherein 15% of basic salary is funded with Life Insurance Corporation of India.

The Company contributed Rs. 8.76 lakhs and Rs. 7.84 lakhs during the year ended 31 March 2019 and 31 March 2018 respectively.

**Others:** Others consist of company and employee's contribution to:

Employees Pension Scheme [Total amount charged to the statement of Profit and Loss for the year Rs.11.16 lakhs (Previous Year 2017-18 Rs.11.47 lakhs)]

Employees State Insurance [Total amount charged to the statement of Profit and Loss for the year Rs.1.01 lakhs (Previous Year 2017-18 Rs.1.46 lakhs)]

#### (iii) Post Employment Benefits Plans

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 of Rs 20 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 2(g)(iii) based upon which the Company makes annual contributions for Gratuity to the Trust Fund.

#### (iv) Balance Sheet recognition

##### a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of Obligation	Fair Value of plan assets	Net Amount
01 April 2018	2,006.68	2,006.68	-
Current service cost	98.89	-	98.89
Interest expense/income	133.47	152.50	(19.03)
<b>Total amount recognised in profit or loss</b>	<b>232.36</b>	<b>152.50</b>	<b>79.86</b>

##### Remeasurement

Return on plan assets, excluding amounts included in interest expense/(income)	-	5.96	(5.96)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	21.68	-	21.68
Actuarial (gain)/loss from unexpected experience	97.90	-	97.90
<b>Total amount recognised in other comprehensive income</b>	<b>119.58</b>	<b>5.96</b>	<b>113.62</b>
Employer contributions/ premium paid	-	-	-
Benefit payments	123.03	123.03	-
<b>31 March 2019</b>	<b>2,235.59</b>	<b>2,042.11</b>	<b>193.48</b>

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 27 EMPLOYEE BENEFIT EXPENSES (Contd.)

Particulars	Present Value of Obligation	Fair Value of plan assets	Net Amount
01 April 2017	2,018.35	1,788.68	229.67
Current service cost	113.02	-	113.02
Interest expense/income	138.00	130.00	8.00
Past service cost - plan amendments	10.00	-	10.00
Total amount recognised in profit or loss	261.02	130.00	131.02

#### Remeasurement

Return on plan assets, excluding amounts included in interest expense/(income)	-	7.82	(7.82)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(55.28)	-	(55.28)
Actuarial (gain)/loss from unexpected experience	(67.91)	-	(67.91)
Total amount recognised in other comprehensive income	(123.19)	7.82	(131.01)
Employer contributions/ premium paid	-	229.68	(229.68)
Benefit payments	149.50	149.50	-
31 March 2018	2,006.68	2,006.68	-

#### (v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2019	31 March 2018
Discount rate	7.50%	7.60%
Expected return on plan asset	7.50%	8.00%
Salary growth rate	6.00%	6.00%
Attrition rate	1.00%	1.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate

#### (vi) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(163.67)	190.69	(139.41)	162.07
Salary growth rate (-/+ 1%)	191.71	167.31	163.10	(142.64)
Attrition rate (-/+ 1%)	20.52	23.25	18.59	(21.02)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 27 EMPLOYEE BENEFIT EXPENSES (Contd.)

(vii) The major categories of plans assets are as follows:

Particulars	31 March 2019	31 March 2018
Investment with Private Insurance Companies	27.14%	25.49%
Administered by Life Insurance Corporation of India	70.22%	72.31%
Investment in Mutual Fund	0.59%	0.55%
Special Deposits and Bonds	1.33%	1.35%
Others Including Bank Balances	0.72%	0.30%

### (viii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

#### Investment risk:

If plan is funded, then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

#### Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

#### Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

#### Salary growth risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

### (ix) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2020 is Rs. 193.48 (31 March 2019 : Rs Nil).

The weighted average duration of the defined benefit obligation is 10 years (31 March 2018 – 10 years).

### Note 28 FINANCE COST

Particulars	31 March 2019	31 March 2018
Interest expense	314.56	382.63
Other borrowing costs	40.85	27.30
Applicable net loss on foreign currency transactions and translation	-	91.96
	355.41	501.89
Less: Interest capitalised	(69.37)	(55.13)
<b>Total Finance Cost</b>	<b>286.04</b>	<b>446.76</b>

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's total borrowing during the year, in this case is 7.00%, (31 March 2018: 10.73%)

### Note 29 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	31 March 2019	31 March 2018
Depreciation on property, plant and equipment	750.04	743.90
<b>Total Depreciation and Amortisation Expense</b>	<b>750.04</b>	<b>743.90</b>

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 30 OTHER EXPENSES

Particulars	31 March 2019	31 March 2018
Consumption of stores and spare parts including Packing Material	1,397.00	1,208.04
Power and fuel	1,906.79	1,746.06
Rent	148.43	148.51
Repairs and maintenance		
Plant and machinery	224.99	180.95
Buildings	59.55	59.47
Others	460.34	400.90
Insurance	66.48	61.89
Rates and taxes	70.65	63.41
Freight, delivery and shipping charges	231.18	266.40
Brokerage and commission on sales	38.74	114.47
Other selling expenses	137.10	370.16
Net loss on foreign currency transactions/translations	-	150.53
Cess on Tea	96.92	107.14
Auditor's remuneration[(Refer (a) below)]	40.35	27.53
Advertisements	149.54	213.84
Travelling and conveyance	298.17	351.05
Expenditure towards Corporate Social Responsibility activities [Refer (b) below]	31.20	39.36
Miscellaneous expenses	580.89	601.74
<b>Total Other Expenses</b>	<b>5,938.32</b>	<b>6,111.45</b>
<b>(a) Details of auditors' remuneration and out-of-pocket expenses set out below :</b>		
Audit Fees	20.30	17.50
Limited Review	5.25	4.50
For other matters (Certificates, etc.)	13.65	5.00
Reimbursement of expenses	1.15	0.53
	<b>40.35</b>	<b>27.53</b>
<b>(b) Details of Corporate Social Responsibility Expenditure are set out below :</b>		
Contribution to Dhanuka Dhunseri Foundation	31.20	39.36
Amount required to be spent as per Section 135 of the Act	31.20	39.20
Amount spent during the year on:		
(i) Construction/acquistion of an asset	31.20	39.36
(ii) On purposes other than (i) above	-	-

### Note 31 INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

Particulars	31 March 2019	31 March 2018
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	69.35	130.06
Adjustment for current tax for earlier years	76.18	-
<b>Total current tax expense</b>	<b>145.53</b>	<b>130.06</b>
<b>Deferred tax</b>		
Decrease (increase) in deferred tax assets	(27.42)	(28.23)
(Decrease) increase in deferred tax liabilities	20.35	(264.14)
<b>Total deferred tax expense/(benefit)</b>	<b>(7.07)</b>	<b>(292.37)</b>
<b>Income tax expense</b>	<b>138.46</b>	<b>(162.31)</b>



## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 31 INCOME TAX EXPENSE

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate :

Particulars	31 March 2019	31 March 2018
Profit before tax	274.22	661.08
Tax at the rate of 29.65% (2017-18 – 31.84%)	81.30	210.49
Additional deductions available in tax	-	(134.69)
Permanent difference	17.45	27.15
Income taxed at different rates	(22.46)	13.58
Weighted deductions for research and development	(3.44)	(4.73)
Tax on exempt income	(6.32)	(3.72)
Earlier year tax adjustment	76.18	-
Impact on account of change in statutory tax rate*	-	(258.02)
Others	(4.25)	(12.37)
Total income tax expense/(credit)	138.46	(162.31)

\* The Finance Act, 2018, changed the statutory tax rate applicable for the Company (for corporate income tax) from 34.61% to 29.12% from assessment year 2019-20 (including surcharge and cess). However, the Company is also subject to agricultural income tax to the extent of 60% of its business income at the rate of 30% (31 March 2018 - 30%). In the previous year, the company has accordingly re-measured the deferred tax expected to reverse in future periods based on the revised rate applicable i.e 29.65%.

### Note 32 EARNINGS PER SHARE

Particulars	31 March 2019	31 March 2018
(i) Basic and diluted*		
Number of equity shares at the beginning of the year	7,004,951	7,004,951
Number of equity shares at the end of the year	7,004,951	7,004,951
Weighted average number of equity shares outstanding during the year (A)	7,004,951	7,004,951
Nominal value of each equity Share (Rs.)	10	10
Profit / (Loss) for the year (Rs. in lakhs) (B)	135.76	823.39
Earnings per share (Basic) (Rs.) (B/A)	1.94	11.75

\* The Company does not have any instruments for which diluted earnings per share needs to be calculated.

### Note 33 CONTINGENT LIABILITIES

Particulars	31 March 2019	31 March 2018
(a) Claims against the Company not acknowledged as debts		
Income Tax-matter under dispute	63.61	16.40
(b) Standby Letters of Credit issued in connection, with loan taken by Dhunseri Petrochem & Tea Pte Limited, a wholly owned subsidiary, from a bank to meet its business objectives	4,120.53	4,575.85
Total Contingent Liabilities	4,184.14	4,592.25

The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of “Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal” and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees’ Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 34 COMMITMENTS

Particulars	31 March 2019	31 March 2018
<b>Capital Commitments</b>		
Estimated value of contracts in capital account remaining to be executed [net of advances Rs. 137.24 lakhs (31 March 2018: Rs. 64.80 lakhs)]	127.05	178.95
<b>Total Commitments</b>	<b>127.05</b>	<b>178.95</b>

### Note 35 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are :

Particulars	31 March 2019	31 March 2018
<b>Current</b>		
<b>Financial assets</b>		
Investments	730.35	1,053.03
Trade receivables	3,804.31	3,895.97
Cash and Cash Equivalents (including other bank balances)	433.21	316.79
Loans	74.66	185.07
Other Financial Assets	284.01	163.64
<b>Non-financial assets</b>		
Inventories	2,198.26	1,879.83
Biological Assets (unharvested tea leaves)	48.91	58.77
Other Current Assets	781.46	711.04
<b>Total current assets pledged as security</b>	<b>8,355.17</b>	<b>8,264.14</b>
<b>Non- Current</b>		
<b>Non-financial assets</b>		
Land & Bearer Plant	45,582.58	45,563.27
Capital Work in Progress	969.90	862.73
Plant and Equipment	2,141.75	2,263.45
Building	1,079.12	1,153.75
Furniture and Fixture	151.40	193.85
Vehicles	229.16	185.95
<b>Total non current assets pledged as security</b>	<b>50,153.91</b>	<b>50,223.00</b>
<b>Total assets pledged as security</b>	<b>58,509.08</b>	<b>58,487.14</b>

### Note 36 CAPITAL MANAGEMENT

#### (a) Risk Management

The company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital and accumulated reserves disclosed in the Statement of Changes in Equity.

Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Net Debt implies borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Company.

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 36 CAPITAL MANAGEMENT (Contd.)

The following table summarises the Net Debt, Equity and Ratio thereof.

Particulars	Note	31 March 2019	31 March 2018
(i) Total Debt			
Borrowings - Non-Current	16	622.92	873.38
- Current	16	2,684.96	2,782.19
Current Maturities of Long Term Debt	17	253.65	130.22
		3,561.53	3,785.79
Less : Cash and Cash Equivalents	13	409.19	298.88
Net Debt		3,152.34	3,486.91
(ii) Equity attributable to Shareholders		60,706.72	61,222.97
(iii) Net debt to equity ratio		5.19%	5.70%

Under the terms of the major borrowing facilities, the Company has complied with the financial covenants as imposed by the bank and financial institutions.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2018 and 31 March 2019.

### (b) Dividend

Particulars	31 March 2019	31 March 2018
(i) Equity Shares		
Final dividend for the year ended 31 March 2018 of Rs. 8/- (31 March 2017 - Rs. 8/-) per fully paid share	560.40	560.40
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of final dividend of Rs. 5/- per fully paid equity share (31 March 2018 Rs. 8/-). This proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting.	350.25	560.40

### Note 37 FAIR VALUE MEASUREMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

#### Financial instruments by category

Particulars	31 March 2019			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised Cost		
<b>Financial assets</b>					
(i) Investments	730.35	3,581.87	-	4,312.22	4,312.22
(ii) Trade receivables	-	-	3,804.31	3,804.31	3,804.31
(iii) Cash and cash equivalents	-	-	409.19	409.19	409.19
(iv) Bank balances other than (iii) above	-	-	24.02	24.02	24.02
(v) Loans	-	-	80.21	80.21	80.21
(vi) Other financial assets	-	-	854.94	854.94	854.94
<b>Total financial assets</b>	<b>730.35</b>	<b>3,581.87</b>	<b>5,172.67</b>	<b>9,484.89</b>	<b>9,484.89</b>
<b>Financial liabilities</b>					
(i) Borrowings	-	-	3,307.88	3,307.88	3,307.88
(ii) Trade and other payables	-	-	1,550.80	1,550.80	1,550.80
(iii) Other financial liabilities	-	-	1,664.45	1,664.45	1,664.45
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>6,523.13</b>	<b>6,523.13</b>	<b>6,523.13</b>

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### NOTE 37 FAIR VALUE MEASUREMENTS (Contd.)

#### Financial instruments by category

Particulars	31 March 2018			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised Cost		
<b>Financial assets</b>					
(i) Investments	1,053.03	3,150.85	-	4,203.88	4,203.88
(ii) Trade receivables	-	-	3,895.97	3,895.97	3,895.97
(iii) Cash and cash equivalents	-	-	298.88	298.88	298.88
(iv) Bank balances other than (iii) above	-	-	17.91	17.91	17.91
(v) Loans	-	-	190.51	190.51	190.51
(vi) Other financial assets	-	-	1,039.97	1,039.97	1,039.97
<b>Total financial assets</b>	<b>1,053.03</b>	<b>3,150.85</b>	<b>5,443.24</b>	<b>9,647.12</b>	<b>9,647.12</b>
<b>Financial liabilities</b>					
(i) Borrowings	-	-	3,655.57	3,655.57	3,655.57
(ii) Trade and other payables	-	-	1,334.50	1,334.50	1,334.50
(iii) Other financial liabilities	-	-	1,113.34	1,113.34	1,113.94
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>6,103.41</b>	<b>6,103.41</b>	<b>6,104.01</b>

#### (i) Fair value hierarchy

##### (a) Financial Instruments

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Particulars	31 March 2019			31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets:</b>						
Investments	3,893.91	-	418.31	3,617.07	-	586.81
	3,893.91	-	418.31	3,617.07	-	586.81

##### (b) Biological assets other than bearer plants

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its biological assets other than bearer plants into level 2 in the fair value hierarchy.

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed

Particulars	31 March 2019			31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Stock of unplucked green leaves	-	48.91	-	-	58.77	-
	-	48.91	-	-	58.77	-

The following table illustrates the sensitivity to a 5 % variation in each of the significant unobservable inputs used to measure the fair value of the biological assets on 31 March 2019 and 31 March 2018.

Impacts in the fair value resulting from :

Significant variable inputs	2019		2018	
	5% decrease	5% increase	5% decrease	5% increase
Purchase prices	(2.45)	2.45	(2.94)	2.94

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 37 FAIR VALUE MEASUREMENTS (Contd.)

The following table provides an analysis of financial instruments that are measured at fair value, grouped into Level 1 to Level 3, as described below :

**Quoted prices in an active market (Level 1) :** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual fund. The fair value for all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Valuation techniques with observable inputs (Level 2) :** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Valuation techniques with significant unobservable inputs (Level 3) :** This level of hierarchy includes financial assets and financial liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

#### (ii) Transfers between level 1, level 2 and level 3

During the year shares of Orient Electric Ltd. got listed on the stock exchange. As at 31 March 2018 they were unlisted and were valued using valuation techniques under level 3, carrying value was Rs. 234.39 lakhs. Since, the shares got listed, their quoted prices are readily available these have been transferred to instruments valued using level 1 technique.

#### (iii) Valuation technique used to determine fair value

Specific valuation technique used to determine fair value includes :

- (a) Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available the management has involved valuation experts to help in determining the fair value of the investments.
- (b) The carrying amounts of other financial assets and liabilities carried at amortised cost closely approximate their fair values. The impact of discounting on such financial assets or liabilities is not significant due to the market terms (rates and tenor) available and because the instruments are short term in nature or do not have any fixed contractual maturities.
- (c) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

#### (iv) Equity Instruments carried at fair value through other comprehensive income

These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Company has chosen to designate this investments in equity instruments at FVOCI since, it provides a more meaningful presentation.

- (v) During the year, the Company has sold certain investments to meet its strategic purpose.

### Note 38 FINANCIAL RISK MANAGEMENT

In the course of its business, the Company is exposed primarily to fluctuations in interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. In order to minimise any adverse effects on the financial performance of the Company, the company has risk management policies as described below :

#### (A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions and other financial instruments carried at amortised cost and financial guarantees.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments and cash and cash equivalents held by the Company. None of the financial instruments of the Company result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 5,092.46 lakhs, Rs. 5,252.73 lakhs, as at 31 March 2019 and 31 March 2018 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits and other financial assets.

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 38 FINANCIAL RISK MANAGEMENT (Contd.)

#### i) Trade and other receivables

Credit risk on receivables is minimum since sales through different mode (eg. auction, consignment, private) are made after judging credit worthiness of the customers or advance payment. The history of defaults has been minimal and outstanding receivables are regularly monitored.

The Company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows :

Particulars	2018-19	2017-18
Opening balance	5.05	5.05
Charge in Statement of Profit and Loss	-	-
Less : Utilised during the year	5.05	-
	-	5.05

A summary of the ageing is given below :

#### Year ended 31 March 2019

Particulars	Not due	Less than 3 months	More than 3 months and upto 1 year	More than 1 year	Total
Gross carrying amount	3,727.73	70.95	5.63	-	3,804.31
Less : Expected credit losses (loss allowance provision)	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	3,727.73	70.95	5.63	-	3,804.31

#### Year ended 31 March 2018

Particulars	Not due	Less than 3 months	More than 3 months and upto 1 year	More than 1 year	Total
Gross carrying amount	2,783.92	909.68	202.37	5.05	3,901.02
Less : Expected credit losses (loss allowance provision)	-	-	-	(5.05)	(5.05)
Carrying amount of trade receivables (net of impairment)	2,783.92	909.68	202.37	-	3,895.97

#### ii) Financial instruments and bank deposits

For credit risk on the loans to parties including subsidiary, the Company is not expecting any material risk on account of non-performance by any of the parties. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### (B) Liquidity risk

Liquidity risk refers to the risk that the Company may encounter difficulty in meeting its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the company's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 38 FINANCIAL RISK MANAGEMENT (Contd.)

#### Maturities of financial liabilities

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31 March 2019	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Borrowings	2,931.57	503.89	125.00	-	3,560.46
Other financial liabilities	1,349.70	58.97	2.13	-	1,410.80
Trade payables	1,550.80	-	-	-	1,550.80
Interest payable on above borrowings**	83.41	70.55	4.06	-	158.02
<b>Total financial liabilities</b>	<b>5,915.48</b>	<b>633.41</b>	<b>131.19</b>	<b>-</b>	<b>6,680.08</b>

\*\* Based on closing rates

Contractual maturities of financial liabilities 31 March 2018	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Borrowings	2,905.34	507.22	375.31	-	3,787.87
Other financial liabilities	915.19	67.27	2.82	2.14	987.42
Trade payables	1,334.50	-	-	-	1,334.50
Interest payable on above borrowings**	102.78	107.78	28.05	-	238.61
<b>Total financial liabilities</b>	<b>5,257.81</b>	<b>682.27</b>	<b>406.18</b>	<b>2.14</b>	<b>6,348.40</b>

\*\* Based on closing rates

#### (C) Market risk

##### (i) Foreign currency risk

The Company deals with foreign currency loan, loan receivable and interest receivable etc and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Company is exposed to foreign exchange risk through its loan receivable and interest receivables, they also have borrowings denominated in foreign currencies. The management regularly monitors the currency movement to manage its currency risk.

##### Foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in Rupees (foreign currency amount multiplied by closing rate), are as follows :

	31 March 2019		31 March 2018	
	USD	EUR	USD	EUR
<b>Financial assets</b>				
Loan to subsidiary	69.17	-	178.90	-
Interest receivable	0.22	-	1.41	-
<b>Financial liabilities</b>				
Borrowings	-	1,554.05	-	1,612.45
Interest payable	-	3.01	-	2.43
<b>Net exposure to foreign currency risk</b>	<b>69.39</b>	<b>1,557.06</b>	<b>180.31</b>	<b>1,614.88</b>

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 38 FINANCIAL RISK MANAGEMENT (Contd.)

#### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit before tax		Impact on equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>USD sensitivity</b>				
INR appreciates by 5%	(3.47)	(9.02)	(2.44)	(6.14)
INR depreciates by 5%	3.47	9.02	2.44	6.14
<b>EUR sensitivity</b>				
INR appreciates by 5%	77.85	80.74	54.77	55.03
INR depreciates by 5%	(77.85)	(80.74)	(54.77)	(55.03)

@ Holding all other variables constant

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2019 and 31 March 2018, the Company's borrowings at variable rate were denominated in both Rupees and foreign currency.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### (a) Interest rate risk exposure

##### On Financial Liabilities :

The exposure of the Company's financial liabilities to interest rate risk is as follows :

Particulars	31 March 2019	31 March 2018
Variable rate borrowings	3,052.92	3,275.12
Fixed rate borrowings	507.53	512.75
<b>Total borrowings</b>	<b>3,560.45</b>	<b>3,787.87</b>

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

	Impact on profit before tax		Impact on equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Interest expense rates – increase by 50 basis points (50 bps)*	(15.26)	(16.38)	(10.74)	(11.16)
Interest expense rates – decrease by 50 basis points (50 bps)*	15.26	16.38	10.74	11.16

\* Holding all other variables constant

#### (iii) Price risk

##### (a) Exposure

The Company's exposure to equity securities & mutual funds price risk arises from investments held by the Company and classified in the balance sheet at fair value through Other Comprehensive Income or at Fair Value through Statement of Profit & Loss. To manage its price risk arising from investments in equity securities & mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company. In general, these investments are not held for trading purposes.

The majority of the Company's equity investments & mutual funds are publicly traded.

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 38 FINANCIAL RISK MANAGEMENT (Contd.)

#### (b) Sensitivity

The table below summarizes the impact of increases/decreases of the share prices on the Company's equity.

	Impact on equity	
	31 March 2019	31 March 2018
Share price - Increase 5%*	215.61	210.19
Share price - Decrease 5%*	(215.61)	(210.19)

\* Holding all other variables constant

#### (D) Agricultural Risk

Cultivation of tea being an agricultural activity, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (tea) due to changes in supply/availability.

The Company manages the above financial risks in the following manner:

- Sufficient inventory levels of agro chemicals, fertilizers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Sufficient level of consumable stores viz packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea is not adversely affected even in times of adverse conditions.

### Note 39 SEGMENT REPORTING

The Company's Chief operating decision maker viz. Board of Directors examine the Company's performance as a single segment, viz. "Growing, harvesting and sale of loose and packet tea and other allied services relating to plantation sector."

#### Geographical information

The Company is domiciled in India. The amount of its revenue from customers segregated by the location of the customers is shown below :

Particulars	31 March 2019	31 March 2018
India	17,554.98	17,701.63
Rest of the world	526.29	-
	18,081.27	17,701.63

Three customers of the entity account for approximately 70% of the sales being made for the year ended 31 March 2019 (31 March 2018: 57%)

### Note 40 RELATED PARTY TRANSACTIONS

Particulars		Country of Incorporation	Ownership Interest	
			31st March 2019	31st March 2018
Names of related parties and description of relationship:				
Where control exists :				
(A) Subsidiary Company:				
(1) Dhunseri Petrochem & Tea Pte Ltd.		Singapore	100%	100%
(2) Elfin Heights Private Ltd. (Disposed on 19 August 2017)		India	-	-
(B) (a) Subsidiaries of Dhunseri Petrochem & Tea Pte Ltd.				
(1) Makandi Tea & Coffee Estates Ltd.		Malawi	100%	100%
(2) Kawalazi Estate Company Ltd.		Malawi	100%	100%
(3) Dhunseri Mauritius Pte Ltd (incorporated on 2 May 2018)		Republic of Mauritius	100%	-
(B) (b) Subsidiary of Makandi Tea & Coffee Estates Ltd.				
(1) AM Henderson & Sons Ltd.		Malawi	100%	100%
(2) Chiwale Estate Management Services Ltd.		Malawi	100%	100%

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 40 RELATED PARTY TRANSACTIONS (Contd.)

#### (C) Key Management Personnel (KMP) @

Name	Designation
(1) Mr. C.K.Dhanuka	Chairman and Managing Director
(2) Mr. Mrigank Dhanuka	Executive Director
(3) Mr. R.K.Sharma	Non-Executive Director
(4) Mr. Basudeo Beriwalla	Non-Executive Director (upto 21 May 2018)
(5) Mr. Ashoke Kumar Dutta	Non-Executive Director (effective from 21 May 2018)
(6) Mr. Bharat Bajoria	Non-Executive Director
(7) Ms. Nandini Khaitan	Non-Executive Director
(8) Mr. Vivek Goenka	Non-Executive Director

#### Others

#### (D) Group Companies/Enterprises in which Key Management Personnel have significant influence and with whom transactions took place during the year :

(1) Naga Dhunseri Group Limited
(2) Trimplex Investments Limited
(3) Mint Investments Limited
(4) Dhunseri Investments Limited
(5) Dhunseri Ventures Limited w.e.f 11 December 2018 (formerly known as Dhunseri Petrochem Ltd)
(6) IVL Dhunseri Petrochem Industries Private Limited
(7) Khaitan & Co.
(8) Khaitan & Co. LLP

#### (E) Post employment Benefit Plan Entity

(1) Dhunseri Petrochem Limited Employees Gratuity Fund
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#### (F) Details of related party transactions/balances

The following transactions occurred with the related parties :

Related Party	Relationship	Outstanding as at 31st March, 2019	Outstanding as at 31st March, 2018	Payable/ receivable/ others	Nature of Transaction	2018-2019	2017-2018
Dhunseri Petrochem & Tea Pte. Ltd.	A	69.17	178.90	Loan Receivable*	Investment in Shares	37.10	267.65
		0.22	1.41	Interest Receivable	Loan Repaid	188.61	-
		4,120.53	4,575.85	Guarantee outstanding	Loan Given	69.34	-
					Interest Income	5.07	15.59
					Reimbursement of expense	7.01	6.57
					Guarantee given	-	4,948.63
					Guarantee released	455.32	5,933.99
Elfin Heights Private Ltd	A	-	-	-	Investment sold	-	(408.81)
IVL Dhunseri Petrochem Industries Private Limited	D	0.38	-	Receivable	Reimbursement of Expenses	0.38	-
Dhunseri Ventures Ltd	D	2.12	-	Receivable	Reimbursement of Expenses	2.12	-
Trimplex Investments Limited	D	61.50	61.50	Security deposit - receivable	Rent and Service Charges	81.65	83.54

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 40 RELATED PARTY TRANSACTIONS (Contd.)

Related Party	Relationship	Outstanding as at 31st March, 2019	Outstanding as at 31st March, 2018	Payable/ receivable/ others	Nature of Transaction	2018-2019	2017-2018
Naga Dhunseri Group Limited	D	-	-	-	Rent Paid	32.81	33.15
Mint Investments Limited	D	-	-	-	Rent and Service Charges	41.50	31.31
Dhunseri Investments Limited	D	-	-	-	Rent and Service Charges	30.01	29.33
Khaitan & Co	D	-	(0.30)	Payable	Legal and Professional Fees & Reimbursement of Expenses	7.44	48.24
Khaitan & Co LLP	D	(1.55)	(2.92)	Payable	Legal and Professional Fees & Reimbursement of Expenses	13.60	20.20
Mr. C.K. Dhanuka @	C	-	(4.00)	Commission Payable	Short-term employee benefits	21.21	25.94
		(25.00)	(25.00)	Security deposit - Payable	Post employment benefits	3.63	3.44
					Rent Received	0.60	0.60
Mr. M. Dhanuka @	C	-	(2.00)	Commission Payable	Short-term employee benefits	15.32	3.73
		(25.00)	(25.00)	Security deposit - Payable	Post employment benefits	2.96	0.14
					Rent Received	0.60	0.60
					Sitting Fees	-	0.20
					Electricity deposit refund	-	0.71
Mr. R.K.Sharma	C	-	-	-	Sitting Fees	0.30	0.40
Mr. Basudeo Beriwal	C	-	-	-	Sitting Fees	0.25	0.95
Mr. Bharat Bajoria	C	-	-	-	Sitting Fees	0.65	0.65
Mr. Vivek Goenka	C	-	-	-	Sitting Fees	0.80	0.60
Mr. Ashoke Kumar Dutta	C	-	-	-	Sitting Fees	0.15	-
Ms. Nandini Khaitan	C	-	-	-	Sitting Fees	0.30	0.65
Post employment Benefit Plan Entity Dhunseri Petrochem Limited Employees Gratuity Fund	E	193.48	-	-	Contribution	-	229.68

\* Loan given for business purpose and carries an interest @7.75% p.a. (Previous Year 8.65% p.a.)

@ Details of remuneration to key managerial personnel have been included in note 27

#### Other Terms and Conditions of transactions with Related Parties

Transactions related to dividend were on the same terms and conditions that applied to other shareholders. The other transactions are made in the ordinary course of business. Outstanding balances at the year end are unsecured. No provision are held against receivable from related parties.

Disclosure pursuant to Section 186(4) of The Companies Act 2013, regarding loans given are mentioned above; disclosures for investment made and guarantee given are mentioned in the respective notes of Non Current Investments (Refer Note 6), and Guarantees (Refer Note 33).

## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 41 FAIR VALUE OF BIOLOGICAL ASSETS AND AGRICULTURAL PRODUCE

The carrying amount of the Biological Assets other than bearer plants as per Note 11 of the Financial Statements amounts to Rs. 48.91 lakhs.

The carrying amount of the Finished Goods (Inventories) as per Note 10 of the Financial Statements amounts to Rs. 1028.19 lakhs. The same comprise of Tea made out of tea leaves harvested from own gardens ("agricultural produce") amounting to Rs. 555.77 lakhs and Tea made out of purchased tea leaves amounting to Rs. 472.42 lakhs.

The biological assets ("Tea leaves growing on tea bushes") and agricultural produce used in the production of finished goods of tea used in such inventory are stated at fair value less costs to sell. Such inventory of Tea is carried at the lower of cost and net realizable value. The same is applying the principles of Ind AS 41 and Ind AS 2.

The valuation of biological assets and agricultural produce used in the production of finished goods (Tea) involves judgements in the consideration of factors used in the determination of fair value of such agricultural produce. The company considers various factors such as comparing the actual selling prices prevailing around year end for completed seasonal cycle, including technical factors which determine the quality and hence the fair value of biological assets and agricultural produce. The said practice is consistently practiced by the company.

### Note 42 RESEARCH AND DEVELOPMENT

Particulars	31 March 2019	31 March 2018
Research and Development Expenditure charged to revenue	23.23	19.79

### Note 43 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.

Particulars	31 March 2019	31 March 2018
Lease rent charged to the Statement of Profit and Loss	133.22	134.69

### Note 44

Miscellaneous expenses (Refer Note 30) include a donation of Rs 5 lakh (Previous Year Rs Nil) for a political purpose to Assam Pradesh Congress Committee.

### Note 45

The Company has entered into a non-binding term sheet to sell its branded tea business presently undertaken under the brands Lal Ghora and Kala Ghora for an aggregate consideration of Rs.101 crores to Tata Global Beverages Limited. The proposed sale shall be subject to due-diligence by the buyer including definitive binding agreements and applicable statutory/ regulatory approvals. The financial effects of which can be quantified only once the said transaction is concluded.



## Notes to Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 46 CHANGES IN ACCOUNTING POLICY

The Company adopted Ind AS 115-Revenue from Contracts with Customers from April 1, 2018 resulting in changes in accounting policy and adjustments to the amount recognised in financial statements.

In accordance with the transitional provisions of Ind AS 115, the Company has adopted the new rules using the modified retrospective method. As a result of which, financial statement for the current year have changed as compared to what it would otherwise be under Ind AS 18, the changes include decrease in Revenue from Operations (note 22) by Rs. 251.03 lakhs, decrease in Brokerage and commission on sales (note 30) by Rs. 54.09 lakhs and decrease in Other Selling Expenses (note 30) by Rs. 196.94 lakhs.

### Note 47 PROPOSED DIVIDEND

Particulars	31 March 2019	31 March 2018
The final dividend proposed for the year is as follows:		
On Equity Shares of Rs 10 each		
(i) Amount of dividend proposed for the year	350.25	560.40
(ii) Dividend per Equity Share (Rs)	5.00	8.00
(iii) Related Tax Impact	71.99	115.19

The Board of Directors in its meeting on May 24, 2019 has proposed a final dividend of Rs 5/- per equity share for the financial year ended March 31, 2019. The proposal is subject to the approval of the shareholders at the Annual General Meeting and if approved would result in a cash outflow of Rs 422.24 Lakhs (including taxes).

For Lovelock & Lewes  
Firm Registration No. 301056E  
Chartered Accountants  
Amitesh Dutta  
Partner  
Membership No. 058507

Place : Kolkata  
Date : May 24, 2019

R. Mahadevan  
Company Secretary

For and on behalf of the Board of Directors  
C. K. Dhanuka  
Managing Director  
(DIN - 00005684)  
Vikash Jain  
Chief Financial Officer

Bharat Bajoria  
Director  
(DIN - 00109241)  
P. C. Dhandhanian  
Chief Executive Officer

# Independent Auditors' Report

To The Members of

**DHUNSERI TEA & INDUSTRIES LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

## Opinion

1. We have audited the accompanying consolidated financial statements of Dhunseri Tea & Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting

## 4. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

## Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters paragraph below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of the fair value of biological assets and harvested tea leaves in relation to the Holding company</b></p> <p>(Refer to the accompanying note 2.8 , 2.9 and Note 40 forming integral part of the Consolidated Financial Statements)</p> <p>As on March 31, 2019, the Holding Company has biological assets being "Green leaf growing on tea bushes" with a carrying value of Rs. 48.91 lakhs and Green leaf harvested from own gardens ("agricultural produce") being part of finished goods (Tea) with a carrying value of Rs. 555.77 lakhs.</p> <p>The biological assets and agricultural produce used in the production of finished goods (Tea) are stated at fair value less costs to sell. We considered the valuation of biological assets and agricultural produce used in the production of finished goods (Tea) as a key</p>	<p>Our procedures included the following :</p> <ul style="list-style-type: none"> <li>• We understood and tested the design and operating effectiveness of controls as established by the Holding Company's management in determination of the fair value of biological assets and harvested tea leaves produced from own gardens.</li> <li>• We considered the following factors in our assessment of the fair value in respect of the holding company –               <ol style="list-style-type: none"> <li>a. compared the prices of similar quality tea leaves, as obtained from market sources,</li> <li>b. compared the selling prices of the Holding Company's Tea prevailing around year end for completed seasonal cycle,</li> </ol> </li> </ul>

## Independent Auditors' Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>audit matter given the significant holding company management's judgement involved in the consideration of factors such as market sources, prevailing selling prices and quality of tea assessed by the holding company management used in the determination of fair value of such agricultural produce and biological assets.</p>	<ul style="list-style-type: none"> <li>c. evaluated the appropriateness of technical factors stated by the holding company's management which determine the quality of the tea leaves produced from the Holding Company's gardens and for arriving at the fair value of biological assets and harvested tea leaves.</li> <li>d. Involved auditors' valuation expert to evaluate the reasonableness of the methodology adopted by the Holding company.</li> </ul> <ul style="list-style-type: none"> <li>• We assessed the appropriateness and adequacy of the disclosures in relation to the biological assets and harvested tea leaves of the holding company.</li> </ul> <p>Based on the above procedures performed, the holding company management's assessment of the fair value of biological assets and harvested tea leaves of the holding company was considered to be reasonable.</p>
<p><b>Assessment of impairment of goodwill relating to acquisition of subsidiaries</b></p> <p>(Refer to the accompanying note 2.4 and 5 forming integral part of the Consolidated Financial Statements)</p> <p>The Group has a goodwill balance of Rs. 2221.07 lakhs at 31 March 2019 which represents approximately 2% of the total assets of the Group.</p> <p>The Group performed an impairment assessment over the goodwill balance by calculating the recoverable value of the cash generating unit (CGU) to which the Goodwill belongs using a discounted cash flow model and comparing the same with the carrying value. For the purpose of impairment assessment, each operating subsidiary is considered as separate CGU.</p> <p>The management has estimated future cash flows for a 5 year period and a terminal growth rate is applied in determining the terminal value.</p> <p>We considered this a key audit matter given the relative significance of value of goodwill to the financial statements and extent of management judgement and the estimates involved around impairment assessment with respect to determining appropriate discount rates, cash flow projections (Cash flow forecasts) and earnings growth rates applied beyond the initial five-year period (Terminal growth rates).</p> <p>The Management concluded that no provision for impairment was necessary as at March 31, 2019.</p>	<p>Our procedures included the following :</p> <ul style="list-style-type: none"> <li>• We understood and tested the design and operating effectiveness of controls as established by management in assessment of impairment to the carrying value goodwill.</li> <li>• Together with the auditors' valuation experts, we evaluated the Company's processes regarding impairment assessment : <ul style="list-style-type: none"> <li>a. Assessed the appropriateness of the impairment model</li> <li>b. We evaluated the cash flow forecasts (with underlying earnings growth rate) by comparing them to the budgets provided by the management and our understanding of the industry's factors.</li> <li>c. Assessed the underlying assumptions relating to discount rate, earnings growth rate and terminal value.</li> <li>d. We assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment.</li> </ul> </li> <li>• We checked the mathematical accuracy of the calculations involved.</li> </ul> <p>Based on the above procedures performed, the management's assessment of impairment of goodwill relating to acquisition of subsidiaries was considered to be reasonable.</p>

## Independent Auditors' Report (Contd.)

### Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and Annexures thereto, Form No. MR - 3 (Secretarial Audit Report), Corporate Governance Report and Form AOC - 1 included in the Holding Company's Annual report, but does not include the consolidated financial statements and our auditor's report thereon.
6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and

are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

## Independent Auditors' Report (Contd.)

appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the

independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

16. We did not audit the financial information of four subsidiaries whose financial information reflect total assets of Rs. 52,058.43 and net assets of Rs 34,909.92 as at March 31, 2019, total revenue of Rs. 14,961.61 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs 3384.22 and net cash flows amounting to Rs (47.92) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by those auditors, 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 including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
17. We did not audit the financial information of two subsidiaries whose financial information reflect total assets of Rs. 5.67 lakhs and net assets of Rs. (11.43) lakhs as at March 31, 2019, total revenue of Rs. Nil, total comprehensive income (comprising of profit and other comprehensive income) of

## Independent Auditors' Report (Contd.)

Rs.(12.14) lakhs and net cash flows amounting to Rs.2.37 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and 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 including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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 and the financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

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

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

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) As there are no subsidiaries incorporated in India, this report does not contain a separate report on the internal financial controls over financial reporting of the Group under Clause (i) of Sub-section 3 of Section 143 of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group - Refer Note 41 to the consolidated financial statements.
  - ii. The Group has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. There were no derivative contracts.
  - iii. During the year ended March 31, 2019, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

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

Amitesh Dutta  
Partner  
Membership No.058507

Kolkata  
May 24, 2019



# Consolidated Balance Sheet as at March 31, 2019

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Notes	31 March 2019	31 March 2018
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, plant and equipment	3(a)	73,994.58	72,126.34
(b) Capital work-in-progress	3(b)	6,405.42	4,477.76
(c) Investment properties	4	620.72	1,152.63
(d) Goodwill	5	2,221.07	2,034.42
(e) Financial assets			
(i) Investments	6	3,581.87	3,150.85
(ii) Loans	7	5.55	5.44
(iii) Other financial assets	8	570.93	876.33
(f) Non-current tax assets (net)	9	118.93	202.04
(g) Other non-current assets	10	123.98	20.66
<b>Total non-current assets</b>		<b>87,643.05</b>	<b>84,046.47</b>
<b>(2) Current assets</b>			
(a) Inventories	11	4,851.29	3,744.23
(b) Biological assets other than bearer plants	12	1,791.11	1,249.08
(c) Financial assets			
(i) Investments	6	730.35	1,053.03
(ii) Trade receivables	13	4,387.08	4,855.63
(iii) Cash and cash equivalents	14	626.86	480.24
(iv) Bank balances other than (iii) above	15	24.02	17.91
(v) Loans	7	5.49	8.49
(vi) Other financial assets	8	507.19	190.93
(d) Other current assets	10	1,723.43	1,200.79
		<b>14,646.82</b>	<b>12,800.33</b>
Assets held-for-sale	4A	564.85	-
<b>Total current assets</b>		<b>15,211.67</b>	<b>12,800.33</b>
<b>TOTAL ASSETS</b>		<b>102,854.72</b>	<b>96,846.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	700.50	700.50
(b) Other equity	17	75,065.12	71,436.88
<b>Total equity</b>		<b>75,765.62</b>	<b>72,137.38</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	4,221.55	4,863.44
(ii) Other financial liabilities	19	189.60	214.23
(b) Deferred tax liabilities (net)	20	11,363.98	10,171.28
(c) Other non-current liabilities	21	191.55	137.76
<b>Total non-current liabilities</b>		<b>15,966.68</b>	<b>15,386.71</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	4,201.04	4,143.84
(ii) Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		20.99	20.77
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,563.31	2,100.68
(iii) Other financial liabilities	19	2,759.24	2,025.76
(b) Employee benefit obligations	23	376.57	127.69
(c) Current tax liabilities (net)	24	937.57	591.31
(d) Other current liabilities	21	174.70	312.66
		<b>11,033.42</b>	<b>9,322.71</b>
Liabilities classified as held for sale		89.00	-
<b>Total current liabilities</b>		<b>11,122.42</b>	<b>9,322.71</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>102,854.72</b>	<b>96,846.80</b>

The accompanying notes form an integral part of these Consolidated Financial Statements.  
This is the Balance Sheet referred to in our Report of even date.

For Lovelock & Lewes  
Firm Registration No. 301056E  
Chartered Accountants  
Amitesh Dutta  
Partner  
Membership No. 058507

Place : Kolkata  
Date : May 24, 2019

R. Mahadevan  
Company Secretary

For and on behalf of the Board of Directors  
C. K. Dhanuka  
Managing Director  
(DIN - 00005684)  
Vikash Jain  
Chief Financial Officer  
Bharat Bajoria  
Director  
(DIN - 00109241)  
P. C. Dhandhanias  
Chief Executive Officer

## Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
I Revenue from operations	25	32,428.83	29,605.93
II Other income	26	477.69	241.83
III Total Income (I+II)		32,906.52	29,847.76
IV Expenses			
(a) Cost of materials consumed	27	4,362.94	3,698.88
(b) Changes in inventories of finished goods	28	(507.06)	(69.86)
(c) Changes in inventories of biological assets	12	(431.44)	34.69
(d) Employee benefits expense	29	8,610.68	7,667.14
(e) Finance costs	30	727.01	899.73
(f) Depreciation and amortisation expense	31	1,866.15	1,744.99
(g) Other expenses	32	14,124.06	13,055.79
Total expenses		28,752.34	27,031.36
V Profit before tax (III-IV)		4,154.18	2,816.40
VI Income tax expense			
- Current tax charge / (credit)	34	813.23	486.03
- Deferred tax charge / (credit)	34	530.59	(570.03)
Total tax expense		1,343.82	(84.00)
VII Profit for the year (V-VI)		2,810.36	2,900.40
VIII Other comprehensive income (net of tax expense)			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of post-employment benefit obligations	29	(113.62)	131.02
(ii) Changes in fair value of FVOCI equity instruments		245.41	850.07
(iii) Income tax (charge) / credit relating to these items that will not be reclassified subsequently to the statement of profit and loss		(108.21)	(139.98)
Items that will be reclassified to profit or loss			
(i) Exchange differences on translation of foreign operations	17(ii)	1,469.88	(1,167.09)
Other comprehensive income for the year, net of tax		1,493.46	(325.98)
IX Total comprehensive income for the period (VII+VIII)		4,303.82	2,574.42
X Earnings per share			
Basic and diluted earnings per share (Rs.)	33	40.12	41.40

The accompanying notes form an integral part of these Consolidated Financial Statements.

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

For Lovelock & Lewes  
Firm Registration No. 301056E  
Chartered Accountants  
Amitesh Dutta  
Partner  
Membership No. 058507

Place : Kolkata  
Date : May 24, 2019

R. Mahadevan  
Company Secretary

For and on behalf of the Board of Directors  
C. K. Dhanuka  
Managing Director  
(DIN - 00005684)  
Vikash Jain  
Chief Financial Officer

Bharat Bajoria  
Director  
(DIN - 00109241)  
P. C. Dhandhanias  
Chief Executive Officer

## Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in ₹ lakhs unless otherwise indicated)

<b>A. Equity share capital</b>		
Particulars	Notes	Amount
As at 01 April 2017	16	700.50
Changes in equity share capital		-
<b>As at 31 March 2018</b>	<b>16</b>	<b>700.50</b>
Changes in equity share capital		-
<b>As at 31 March 2019</b>		<b>700.50</b>

<b>B. Other equity</b>							
Particulars	Notes	General Reserve	Foreign Currency Translation Reserve	Capital Reserve on Consolidation	FVOCI - equity instruments	Retained earnings	Total other equity
Balance at 01 April 2018		15,253.22	(3,204.66)	388.64	1,036.43	57,963.25	71,436.88
Profit for the year						2,810.36	2,810.36
Other comprehensive income/(expense) (net of tax)		-	1,469.88	-	112.67	(89.09)	1,493.46
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>1,469.88</b>	<b>-</b>	<b>112.67</b>	<b>2,721.27</b>	<b>4,303.82</b>
Dividend paid	7	-	-	-	-	(560.40)	(560.40)
Tax on dividend	7	-	-	-	-	(115.18)	(115.18)
Gain on sale of equity shares fair value through other comprehensive income (FVOCI) - equity instruments to retained earnings (net of tax)		-	-	-	(811.44)	811.44	-
<b>Balance as at 31 March 2019</b>		<b>15,253.22</b>	<b>(1,734.78)</b>	<b>388.64</b>	<b>337.66</b>	<b>60,820.38</b>	<b>75,065.12</b>

Particulars	Notes	General Reserve	Foreign Currency Translation Reserve	Capital Reserve on Consolidation	FVOCI - equity instruments	Retained earnings	Total other equity
Balance at 01 April 2017		15,253.22	(2,037.57)	388.64	1,082.64	54,850.02	69,536.95
Profit for the year						2,900.40	2,900.40
Other comprehensive income/(expense) (net of tax)		-	(1,167.09)	-	751.81	89.30	(325.98)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(1,167.09)</b>	<b>-</b>	<b>751.81</b>	<b>2,989.70</b>	<b>2,574.42</b>
Dividend paid	17	-	-	-	-	(560.40)	(560.40)
Tax on dividend	17	-	-	-	-	(114.09)	(114.09)
Gain on sale of equity shares fair value through other comprehensive income (FVOCI) - equity instruments to retained earnings (net of tax)		-	-	-	(798.02)	798.02	-
<b>Balance at 31 March 2018</b>		<b>15,253.22</b>	<b>(3,204.66)</b>	<b>388.64</b>	<b>1,036.43</b>	<b>57,963.25</b>	<b>71,436.88</b>

The accompanying notes form an integral part of these Consolidated Financial Statements.

This is the Statement of Changes in Equity referred to in our report of even date.

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

Partner  
Membership No. 058507

Place : Kolkata  
Date : May 24, 2019

R. Mahadevan  
Company Secretary

For and on behalf of the Board of Directors  
C. K. Dhanuka  
Managing Director  
(DIN - 00005684)  
Vikash Jain  
Chief Financial Officer

Bharat Bajoria  
Director  
(DIN - 00109241)  
P. C. Dhandhaniah  
Chief Executive Officer

## Consolidated Statement of Cash Flows for the year ended March 31, 2019

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	4,154.18	2,816.40
Adjustments for :		
Depreciation and amortisation expense	1,866.15	1,744.99
Interest income	(45.46)	(52.42)
Gain on investments classified as fair value through profit or loss	(35.23)	(15.03)
Gain on investments designated as fair value through profit or loss arising on sale	(27.46)	-
Current Investment Written off	0.63	-
Gain on sale of subsidiary	-	(35.61)
Finance cost	727.01	899.73
Liabilities no longer required written back	(31.17)	(12.23)
Allowance for Doubtful Debt	-	7.88
(Gain)/loss on disposal of property, plant and equipment	(0.82)	93.63
Unrealised exchange (gain)/loss	(80.06)	138.04
Dividend income	(21.32)	(11.67)
Income from government grant	(3.36)	(2.06)
Exchange difference on translation of foreign currency operations	(91.52)	(14.97)
<b>Operating profit/(loss) before working capital changes</b>	<b>6,411.57</b>	<b>5,556.68</b>
<b>Changes in Working Capital:</b>		
Inventories	(857.42)	(289.76)
Non-Current/Current financial and other assets	(718.68)	327.63
Non-Current/Current financial and other liabilities/provisions	1,321.17	(417.11)
<b>Cash Generated from Operations</b>	<b>6,156.64</b>	<b>5,177.44</b>
Taxes paid	(597.03)	(749.15)
<b>Net cash generated from operating activities</b>	<b>5,559.61</b>	<b>4,428.29</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,389.87)	(2,322.93)
Proceeds from sale of property, plant and equipment	6.65	29.82
Acquisition of subsidiary	(35.02)	(0.76)
Purchase of non-current investments	(3,375.34)	(5,999.84)
Proceeds from sale of non-current investment	3,189.73	7,083.61
Purchase of current investment	(1,275.00)	(2,200.00)
Proceeds from sale of current investment	1,659.74	1,324.09
Proceeds from sale of investment in subsidiary	-	408.81
Purchase of investment property	(32.94)	(15.36)
Government Grant Received	58.92	-
Advance received against investment property	89.00	-
Interest received	48.04	54.21
Loan repaid by body corporate	-	-
Dividend received	21.32	11.67
<b>Net cash generated from investing activities</b>	<b>(3,034.77)</b>	<b>(1,626.68)</b>

## Consolidated Statement of Cash Flows for the year ended March 31, 2019

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid (including tax thereon)	(675.59)	(668.80)
Finance cost paid	(779.18)	(742.60)
Proceeds from		
- Long term borrowings	-	1,651.22
- Short term borrowings	2,780.89	4,022.40
Repayment of		
- Long term borrowings	(923.28)	(706.68)
- Short term borrowings	(2,797.21)	(6,104.70)
<b>Net cash generated from investing activities</b>	<b>(2,394.37)</b>	<b>(2,549.16)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>130.47</b>	<b>252.45</b>
Exchange Difference on Translation of Foreign Currency Cash and Cash Equivalents	16.15	(6.03)
Cash & cash equivalents at the beginning of the year	480.24	233.82
<b>Cash and cash equivalents at the end of the year</b>	<b>626.86</b>	<b>480.24</b>
<b>Cash and Cash Equivalents comprise :</b>		
Current accounts	435.89	431.82
Cash credit accounts	156.72	21.33
Cash in hand	34.25	27.09
	<b>626.86</b>	<b>480.24</b>

The accompanying notes form an integral part of these Consolidated Financial Statements.

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

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

Partner  
Membership No. 058507

Place : Kolkata  
Date : May 24, 2019

R. Mahadevan  
Company Secretary

For and on behalf of the Board of Directors

C. K. Dhanuka  
Managing Director  
(DIN - 00005684)

Vikash Jain  
Chief Financial Officer

Bharat Bajoria  
Director  
(DIN - 00109241)

P. C. Dhandhanania  
Chief Executive Officer

## Notes to Consolidated Financial Statements

### Note 1 GROUP INFORMATION

The Consolidated financial statements comprises of the financial statements of Dhunseri Tea & Industries Limited (the Parent Company) and its subsidiaries (collectively referred to as 'the Group') the details of which is given below :

Name of the Companies	Category	Country of Incorporation	Proportion of Ownership Interest	
			31 March 2019	31 March 2018
Dhunseri Petrochem and Tea Pte Limited (DPTPL)	Subsidiary	Singapore	100%	100%
Makandi Tea and Coffee Estates Limited (MTCEL)	Subsidiary	Malawi	100%	100%
Kawalazi Estate Company Limited (KECL)	Subsidiary	Malawi	100%	100%
A M Henderson & Sons Limited (AMSL)	Subsidiary	Malawi	100%	100%
Chiwale Estate Management Services Limited	Subsidiary	Malawi	100%	100%
Dhunseri Mauritius Pte Limited	Subsidiary	Mauritius	100%	-

The Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements".

The consolidated financial statements as at 31 March 2019 present the financial position of the Group.

The consolidated financial statements for the year ended 31 March 2019 were approved by the Board of Directors and authorised for issue on 24th May, 2019.

### Note 2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis for preparation

##### (i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [ Companies (Indian Accounting Standards) Rules,2015] and other relevant provisions of the Act. (Refer Note 2.12 and Note 44).

##### (ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### 2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of subsidiaries that are consolidated using the equity method of consolidation, as applicable.

Control is achieved when the Group is exposed to, or has rights to the variable returns of the entities and the ability to affect those returns through its power over the entities.

The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.



## Notes to Consolidated Financial Statements (Contd.)

### 2.3 Business combinations

Acquisition of subsidiaries and businesses are accounted for using the purchase method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognised in the consolidated Statement of Profit And Loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as bargain purchase gain under capital reserve on consolidation.

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional proportion acquired is adjusted in equity. The amount of non-controlling interests in the acquiree is measured either at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised or at fair value.

Business combinations arising from transfers of interests in entities that are under the common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholder's equity.

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an 'asset acquisition'. In such circumstances, the acquirer:

- identifies and recognises the individual identifiable assets acquired
- allocates the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase.

### 2.4 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

### 2.5 Property, plant and equipment

- (i) Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

## Notes to Consolidated Financial Statements (Contd.)

- (ii) Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.
- (iii) Capital work in progress is stated at cost incurred during construction/installation period relating to items or projects in progress.
- (iv) Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.
- (v) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Class of assets	Estimated useful life (in years)
Bearer plants	30 – 72
Buildings	3 – 60
Plant and Equipment	3 – 25
Furniture and Fixtures	3 – 10
Office Equipment	3 – 10
Vehicles	2 – 10

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

### 2.6 Impairment of assets

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.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.7 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### (a) Financial assets

##### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

##### Other bank balances

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

##### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Notes to Consolidated Financial Statements (Contd.)

### Financial assets measured at fair value

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group in respect of equity investments which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

### Impairment of financial assets

The Group assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Group recognises loss allowance for expected credit losses on financial asset.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## (b) Financial liabilities and equity instruments

### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

### Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

### De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## Notes to Consolidated Financial Statements (Contd.)

### 2.8 Inventories

Finished Goods and Stores and Spare parts are stated at lower of cost and net realisable value. Cost of Finished Goods comprise direct material [cost of green leaf harvested from own gardens ("agricultural produce") / purchased green leaves] and appropriate portion of variable and fixed overhead expenditure. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average method. Agricultural produce (being green leaf harvested from own gardens) is measured at the fair value less cost to sell at the point of harvest of tea leaves.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.9 Biological assets

Biological assets comprises of timber, tea leaves and macadamia nuts growing on the tea bushes and macadamia trees respectively. Timber, tea leaves growing on tea bushes and macadamia nuts growing on macadamia trees are measured at fair value less cost to sell with changes in fair value recognised in the Statement of Profit and Loss.

The tea bushes and macadamia trees are bearer plants and therefore presented and accounted for as property, plant and equipment. However produce growing on such trees are accounted for as biological assets until the point of harvest.

### 2.10 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.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The Group presents the entire leave as a current liability in the Balance Sheet, since it does not have a unconditional right to defer its settlement for twelve months after the reporting date.

#### (iii) Post employment benefit plans

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. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

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) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

## Notes to Consolidated Financial Statements (Contd.)

### 2.11 Foreign currency transactions

#### *Functional and presentation currency*

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (Rs.), which is group's functional and presentation currency.

#### *Transactions and balances*

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Monetary assets and liabilities related to 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 in the period in which they arise.

#### *Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

### 2.12 Revenue Recognition (Refer Note 44)

Revenue is measured at fair value of consideration received or receivable, net of discounts and taxes and duties collected on behalf of the government, taking into account the contractually defined terms.

#### *Sales of goods*

The Group is in the business of cultivation, manufacturing and selling of tea and macademia nuts in the market. Under Ind AS 115 sales are recognized when control of the products has transferred, being when products are delivered to the customer, the customer has full discretion over the goods and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products has been shipped to the specific location as the case may be, the risks of obsolescence and loss have been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice for the industry.

A Receivable is recognized when the goods are delivered as this is point in time that the consideration is unconditional because only passage of time is required before the payment is due.

#### *Sale of services*

Income from services is accounted at a point in time as per the assessment of Ind AS 115. No revenue is recognized if there are significant uncertainties regarding recovery of the amount due and associated costs.

#### *Interest income*

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

#### *Dividend income*

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

## Notes to Consolidated Financial Statements (Contd.)

### *Rental income*

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

### 2.13 Borrowing costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

### 2.14 Taxes on income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### 2.15 Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### **The Group as lessee**

- (i) **Operating lease** – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



## Notes to Consolidated Financial Statements (Contd.)

- (ii) **Finance lease** – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

### 2.16 Government Grants

- (i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.
- (ii) Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- (iii) Government grants relating to the purchase of property, plant and equipment are included in other liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

### 2.17 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 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.

### 2.18 Research and development expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in property, plant and equipment.

### 2.19 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 Group'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.

### 2.20 Segment reporting

The Group is primarily engaged in business of cultivation, manufacture and sale of tea and macademia nuts and other allied services relating to plantation sector across various geographical areas with different political and economic environment, risk and return etc. Accordingly, operating segments have been identified based on the different geographical areas. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the group has been identified as being the chief operating decision maker. Refer note 38 for segment information presented.

### 2.21 Use of estimates and critical accounting judgements

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

## Notes to Consolidated Financial Statements (Contd.)

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment, impairment of goodwill and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, fair value of biological asset and harvested tea leaves (agricultural produce) commitments and contingencies.

### 2.22 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. The investment properties held by the Group comprise only of freehold land, hence there is no depreciation.

### 2.23 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less cost to sell. A gain is recognized for any subsequent increases in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-current asset classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a Non-current asset classified as held for sale are presented separately from other liabilities in the balance sheet.

### 2.23 Rounding off amount

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### 2.24 Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has issued Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30 March 2019. The rules among other key amendments to Ind AS 12, Income Taxes, Ind AS 23, Borrowing Costs Ind AS 19, Employee Benefits, notify Ind AS 116- Leases . These rules come into force from 1 April 2019. The Group is evaluating the requirements of the amendments and the effect on the financial statements is being evaluated.

**Note 3 (a) PROPERTY, PLANT AND EQUIPMENT**

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1 April 2018	Additions during the Year	Adjustments/ Disposal during the Year	Exchange differences	As at 31 March 2019	Depreciation for the Year	Adjustments during the Year	Exchange differences	As at 31 March 2019
Freehold land	5,729.22	-	-	219.61	5,948.83	-	-	-	5,948.83
Leasehold land	32,185.66	-	-	-	32,185.66	-	-	-	32,185.66
Bearer plants	24,823.08	468.80	-	1,226.27	26,518.15	733.54	-	106.29	24,072.15
Buildings	4,427.15	309.74	-	177.83	4,914.72	187.84	-	15.46	3,956.68
Plant and equipment	7,795.44	821.98	(23.97)	391.46	8,984.91	692.90	(19.17)	61.19	6,491.72
Office equipment	76.63	-	-	-	76.63	20.31	-	-	56.32
Furniture and fixtures	453.13	25.69	-	12.45	491.27	71.88	-	4.21	195.73
Vehicles	1,412.39	205.21	(7.74)	86.26	1,696.12	179.99	(7.35)	18.57	1,087.49
<b>Total</b>	<b>76,902.70</b>	<b>1,831.42</b>	<b>(31.71)</b>	<b>2,113.88</b>	<b>80,816.29</b>	<b>1,866.15</b>	<b>(26.52)</b>	<b>205.72</b>	<b>73,994.58</b>

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1 April 2017	Additions during the Year	Adjustments/ Disposal during the Year	Exchange differences	As at 31 March 2018	Depreciation for the Year	Adjustments during the Year	Exchange differences	As at 31 March 2018
Freehold land	5,889.99	-	-	(160.77)	5,729.22	-	-	-	5,729.22
Leasehold land	32,185.66	-	-	-	32,185.66	-	-	-	32,185.66
Bearer plants	25,692.31	198.94	(165.89)	(902.28)	24,823.08	708.01	-	(50.92)	23,216.91
Buildings	4,518.56	34.80	-	(126.21)	4,427.15	184.12	-	(7.04)	3,672.41
Plant and equipment	7,587.85	469.89	-	(262.30)	7,795.44	623.79	-	(18.80)	6,037.17
Office equipment	43.52	35.51	-	(2.40)	76.63	10.22	-	(0.83)	56.32
Furniture and fixtures	444.33	13.34	-	(4.54)	453.13	59.12	-	(0.90)	233.68
Vehicles	1,504.92	135.44	(164.54)	(63.43)	1,412.39	159.73	(75.74)	(10.41)	994.97
<b>Total</b>	<b>77,867.14</b>	<b>887.92</b>	<b>(330.43)</b>	<b>(1,521.93)</b>	<b>76,902.70</b>	<b>1,744.99</b>	<b>(75.74)</b>	<b>(88.90)</b>	<b>72,126.34</b>

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

- i) Freehold Land represents two tea estates located at Assam, acquired through partnership with an HUF/ pursuant to a Scheme of Amalgamation.

## Notes to Consolidated Financial Statements (Contd.)

### Note 3 (a) PROPERTY, PLANT AND EQUIPMENT (Contd.)

- ii) Leasehold Land represents eight tea estates located at Assam, which were acquired pursuant to a Scheme of Amalgamation.
- iii) Building, includes [Gross carrying amount and Net carrying amounting to Rs. 180.95 lakhs ( 31 March 2018 : Rs. 180.95 lakhs) and Rs. 164.06 lakhs ( 31 March 2018 : Rs. 167.44 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 mentioned in Note(a) above, for which the title deeds are yet to be transferred as at 31 March 2019.

- (b) Gross carrying amount and Accumulated Depreciation includes building on rented land amounting to Rs. 555.20 lakhs ( 31 March 2018 : Rs. 555.20 lakhs) and Rs. 52.01 lakhs (31 March 2018: Rs. 41.37 lakhs) respectively.

- (c) Property, plant and equipment pledged as security  
The Group has borrowed from bank which carry charge on certain property, plant and equipment (Refer note 18).

- (d) Contractual obligations  
Refer to note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

- (e) Aggregate amount of depreciation has been included under depreciation and amortisation expenses in the Statement of Profit and Loss. (Refer note 31.)

### Note 3 (b) CAPITAL WORK-IN-PROGRESS

(All amounts in ₹ lakhs unless otherwise stated)

	a	b	c	d	d = (a+b-c+d)
	As at 1 April 2018	Addition	Capitalised during the year	Exchange difference	Closing as at 31 March 2019
Capital work-in-progress	4,477.76	1,876.99	(261.55)	312.22	6,405.42
	a	b	c	d	d = (a+b-c+d)
	As at 1 April 2017	Addition	Capitalised during the year	Exchange difference	Closing as at 31 March 2018
Capital work-in-progress	3,239.35	1,625.07	(198.94)	(187.72)	4,477.76

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise indicated)

### Note 4 INVESTMENT PROPERTIES

Particulars	31 March 2019	31 March 2018
Gross carrying amount		
Opening gross carrying amount / Deemed cost	1,152.63	773.73
Additions	32.94	378.90
Transfer to held for sale	(564.85)	-
Closing carrying amount	620.72	1,152.63

Investment Property includes Rs.264.23 lakhs (31 March 2018 : Rs. 396.35 lakhs) being freehold land which were acquired pursuant to the Scheme of Arrangement for which title deeds are not held in the name of the Company.

(i) Amounts recognised in profit or loss for investment properties

Particulars	31 March 2019	31 March 2018
Direct operating expenses from property that did not generate rental income	1.71	1.57
Profit/(loss) from investment properties	(1.71)	(1.57)

(ii) Fair value

Particulars	31 March 2019	31 March 2018
Investment properties	2,115.18	3,438.71

#### Estimation of fair value

The Group obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. The valuation is based on valuations performed by an accredited independent valuer. Fair value estimates for investment properties are included in level 3.

### Note 4A ASSETS HELD-FOR-SALE

During the year ended March 31, 2019, the management has decided to sell certain lands in India forming part of investment property. The sale is expected to be completed within next 12 months.

Particulars	As at 31 March 2019	As at 31 March 2018
Land	564.85	-

Land classified as held for sale during the reporting period was measured at lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of land was determined using the sales comparison approach. This is level 3 measurement as per the fair value hierarchy set out in fair value measurement disclosure.

Land classified as held for sale includes Rs.132.12 lakhs (31 March 2018 : Nil) being freehold land which were acquired pursuant to the Scheme of Arrangement for which title deeds are not held in the name of the Company.

### Note 5 GOODWILL

Particulars	As at 31 March 2019	As at 31 March 2018
Goodwill on consolidation	2,221.07	2,034.42

#### Movement in balances

Particulars	As at 31 March 2019	As at 31 March 2018
Cost as at beginning of the year	2,034.42	2,162.59
Exchange differences on consolidation	186.65	(128.17)
Cost as at end of the year	2,221.07	2,034.42
Impairment as at beginning of year	-	-
Exchange differences on consolidation	-	-
Impairment as at end of the year	-	-
Net carrying value as at beginning of the year	2,034.42	2,162.59
Net carrying value as at end of the year	2,221.07	2,034.42

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 5 GOODWILL (Contd.)

The Group has two tea estates in Malawi, located in the hills of Kawalazi and Makandi. Besides tea, the Malawi estates also produces Macademia nuts. As at 31 March 2019 the carrying amount of goodwill for Kawalazi Estate Company Limited and Makandi Tea and Coffee Estates Limited are Rs.859.50 lakhs and Rs.1361.57 lakhs respectively.

The Group has adopted 'value in use' method to determine the carrying value of cash generating unit.

The base assumptions considered for testing the goodwill impairment for both the cash generating units are as follows:

- The cash flow projections has been considered for 5 years
- The discounting rate has been taken at 12.50%.
- The growth rate has been taken at 4%
- Tax rate has been taken as 30%.

The outcome of the Group's goodwill impairment test as at 31 March 2019 resulted in no impairment of goodwill (March 31, 2018: Nil). The directors believe that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the to materially exceed its value in use.

### Note 6 INVESTMENTS

Particulars	Face Value	31 March 2019	31 March 2018
<b>Non Current</b>			
<b>Investments carried at fair value through other comprehensive income:</b>			
<b>Investments in Equity shares</b>			
(i) <b>Quoted</b>			
4,450 (31 March 2018: Nil) equity shares of APL Apollo Tubes Limited	10	64.16	-
287 (31 March 2018: Nil) equity shares of Bharat Rasayan Limited	10	11.82	-
33,150 (31 March 2018: Nil) equity shares of Caplin Point Laboratories Ltd.	2	133.16	-
21,260 (31 March 2018: Nil) equity shares of Divi's Laboratories Limited	2	362.08	-
24,350 (31 March 2018: Nil) equity shares of Deepak Nitrite Limited	2	66.76	-
15,000 (31 March 2018: 15,000 ) equity shares of Escorts Limited	10	119.41	122.72
610 (31 March 2018: Nil ) equity shares of Excel Crop Care Ltd.	5	22.06	-
Nil (31 March 2018: 66,800 ) equity shares of Graphite India Limited	2	-	485.03
7,000 (31 March 2018: Nil ) equity shares of Gujrat Flurochemicals Limited	1	77.33	-
5,083 (31 March 2018: Nil ) equity shares of GlaxoSmithKline Pharmaceuticals Limited	10	65.95	-
7,526 (31 March 2018: Nil ) equity shares of HDFC Assets Management Company Limited	5	115.44	-
Nil (31 March 2018: 160,000) equity shares of Hindustan Oil Exploration Co. Limited	10	-	176.72
60,810 (31 March 2018: Nil) equity shares of ICICI Bank Limited	2	243.54	-
8,32,000 (31 March 2018: Nil) equity shares of IDFC First Bank Limited	10	461.76	-
2,37,529 (31 March 2018: Nil) equity shares of Orient Electric Limited*	1	362.11	-



## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 6 INVESTMENTS (Contd.)

Particulars	Face Value	31 March 2019	31 March 2018
<b>Non Current</b>			
<b>A. Investments in Equity Shares (Contd.)</b>			
<b>(i) Quoted</b>			
12,900 (31 March 2018: 5,000 ) equity shares of Kotak Mahindra Bank Limited	5	172.15	52.39
22,350 (31 March 2018: Nil) equity shares of Motherson Sumi Systems Limited	1	33.46	-
Nil (31 March 2018: 28,667) equity shares of Shree Pushkar Chemicals & Fertilisers Limited	10	-	58.25
1,62,500 (31 March 2018: Nil) equity shares of Spencers Retail Limited	5	260.00	-
Nil (31 March 2018: 141,000) equity shares of Spicejet Limited	10	-	176.46
83,300 (31 March 2018: Nil) equity shares of Sterlite Technologies Limited	2	181.97	-
Nil (31 March 2018: 129,000) equity shares of Torrent Power Limited	10	-	295.73
20,800 (31 March 2018: 33,300) equity shares of Titan Company Limited	1	237.50	313.79
19,950 (31 March 2018: Nil) equity shares of Varun Beverages Limited	10	172.90	-
Nil (31 March 2018: 142,860) equity shares of AU Small Finance Bank Limited	10	-	882.95
		<b>3,163.56</b>	<b>2,564.04</b>
<b>(ii) Unquoted</b>			
29,90,000 (31 March 2018: 29,90,000) equity shares of Dhunseri Overseas Private Limited	10	311.50	288.57
11,00,000 (31 March 2018: 600,000) equity shares of Mira Estates Private Limited	10	106.81	63.85
180,000 (31 March 2018: 180,000) equity shares of Orient Electric Limited *	1	-	234.39
		<b>418.31</b>	<b>586.81</b>
<b>Total Non-Current Investments</b>		<b>3,581.87</b>	<b>3,150.85</b>
<b>Current</b>			
<b>Investment in Mutual Funds at FVPL</b>			
<b>Quoted</b>			
Nil (31 March 2018: 147) units in HDFC Top 200 mutual fund growth plan	10	-	0.63
25,033.03 (31 March 2018: 38,754.07) units in SBI Premier Liquid Fund - Regular Plan - Growth	1000	730.35	1,052.40
<b>Total Current Investments</b>		<b>730.35</b>	<b>1,053.03</b>
* Shares of Orient Electric Limited were listed during the current year.			
<b>(a) Aggregate amount of quoted investments and market value thereof</b>		<b>3,893.91</b>	<b>3,617.07</b>
<b>(b) Aggregate amount of unquoted investments</b>		<b>418.31</b>	<b>586.81</b>

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 7 LOANS

Particulars	31 March 2019	31 March 2018
<b>Non-current</b>		
Considered good -Unsecured		
Loan to Staff	5.55	5.44
<b>Total Non Current Loans</b>	<b>5.55</b>	<b>5.44</b>
<b>Current</b>		
Considered good -Unsecured		
Loans to Staff	5.49	8.49
<b>Total Current Loans</b>	<b>5.49</b>	<b>8.49</b>

### Note 8 OTHER FINANCIAL ASSETS

Particulars	31 March 2019	31 March 2018
<b>Non-current</b>		
Deposit with NABARD	313.50	628.34
Security deposits		
- with related party	54.11	49.45
- with others	203.32	198.54
<b>Total Other non current financial assets</b>	<b>570.93</b>	<b>876.33</b>
<b>Current</b>		
Deposit with NABARD	250.00	125.00
Interest accrued on deposits	33.79	37.23
Other receivables	223.40	28.70
<b>Total Other current financial assets</b>	<b>507.19</b>	<b>190.93</b>

### Note 9 NON-CURRENT TAX ASSETS (NET)

Particulars	31 March 2019	31 March 2018
Non-current tax assets (net)	118.93	202.04
<b>Total Non current tax assets</b>	<b>118.93</b>	<b>202.04</b>

### Note 10 OTHER ASSETS

Particulars	31 March 2019	31 March 2018
<b>Non-Current</b>		
Capital advances	111.79	8.00
Advances other than capital advances		
Advance operating lease rental	10.27	6.49
Prepaid expenses	1.92	6.17
<b>Total Other non-current assets</b>	<b>123.98</b>	<b>20.66</b>
<b>Current</b>		
Deposit with government authorities	151.40	226.92
Prepaid expenses	497.81	438.14
Advance operating lease rental	4.57	4.57
Advance to suppliers/ service providers	597.74	440.66
Value added tax recoverable	471.91	90.50
<b>Total Other current assets</b>	<b>1,723.43</b>	<b>1,200.79</b>

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 11 INVENTORIES

Particulars	31 March 2019	31 March 2018
(At lower of cost and net realisable value)		
Finished goods		
(includes in transit - 31 March 2019: Rs 98.77 lakhs, 31 March 2018: Rs 40.25 lakhs)	1,783.88	1,354.63
Stores and spares including packing materials		
(includes in transit - 31 March 2019: Rs 19.30 lakhs, 31 March 2018: Rs 98.43 lakhs)	3,067.41	2,389.60
<b>Total Inventories</b>	<b>4,851.29</b>	<b>3,744.23</b>

### Note 12 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

Particulars	31 March 2019	31 March 2018
Unplucked green Leaf	203.42	279.34
Macadamia	571.01	253.69
Timber	1,016.68	716.05
<b>Total Biological assets other than bearer plants</b>	<b>1,791.11</b>	<b>1,249.08</b>

Movement of biological asset is presented below

Particulars	31 March 2019	31 March 2018
As at Opening date	1,249.08	1,361.09
Changes in inventories of biological assets*	431.44	34.69
Exchange differences	110.59	(146.70)
<b>As at Closing date</b>	<b>1,791.11</b>	<b>1,249.08</b>

\* Net of changes in fair value less estimated costs to sell and decreases due to harvest/physical changes.

### Note 13 TRADE RECEIVABLES

Particulars	31 March 2019	31 March 2018
Current		
Considered good - Unsecured	4,387.08	4,855.63
Credit impaired	-	28.01
<b>Total</b>	<b>4,387.08</b>	<b>4,883.64</b>
Less: Credit impaired	-	(28.01)
<b>Total Trade Receivables</b>	<b>4,387.08</b>	<b>4,855.63</b>

### Note 14 CASH AND CASH EQUIVALENTS

Particulars	31 March 2019	31 March 2018
Cash and cash equivalents		
Balances with banks		
in Current accounts	435.89	431.82
in Cash credit accounts	156.72	21.33
Cash on hand	34.25	27.09
<b>Total Cash and Cash Equivalents</b>	<b>626.86</b>	<b>480.24</b>

**Note :** The reporting date for DPTPL and each of its subsidiaries is 31 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. 31 December 2018 with significant transactions of next three months, if any. Elimination of an intra-group transaction which occurred after 31 December but before the reporting period has been adjusted by way of an adjustment in cash and cash equivalents.

### Note 15 OTHER BANK BALANCES OTHER THAN (iii) ABOVE

Particulars	31 March 2019	31 March 2018
Unpaid dividend account #	24.02	17.91
<b>Total Other Bank balances</b>	<b>24.02</b>	<b>17.91</b>

# Earmarked for payment of unclaimed dividend

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 16 EQUITY SHARE CAPITAL

#### Authorised Equity Share Capital

Particulars	31 March 2019	31 March 2018
7,500,000 (31 March 2018: 7,500,000) Equity Shares of Rs. 10/- each	750.00	750.00
	750.00	750.00

#### Issued, Subscribed and Paid-up Equity Share Capital

Particulars	31 March 2019	31 March 2018
7,004,951 (31 March 2018: 7,004,951) Equity Shares of Rs. 10/- each fully paid up	700.50	700.50
	700.50	700.50

#### (i) Movement in equity share capital

Particulars	31 March 2019	31 March 2018
Opening balance	700.50	700.50
Changes in equity share capital	-	-
Closing balance	700.50	700.50

#### Terms and rights attached to equity shares

The Parent Company has one class of equity share having a par value of Rs 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 Group after distribution of all preferential amounts, in proportion to their shareholding.

#### (ii) Details of shareholders holding more than 5% of Issued, Subscribed and Paid up equity share capital of the Group

Shareholder	31 March 2019		31 March 2018	
	Number of Shares	% of holding	Number of Shares	% of holding
Dhunseri Investments Limited	3,206,397	45.77%	3,206,397	45.77%
Naga Dhunseri Group Limited	615,751	8.79%	615,751	8.79%
<b>Total</b>	<b>3,822,148</b>	<b>54.56%</b>	<b>3,822,148</b>	<b>54.56%</b>

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

### Note 17 OTHER EQUITY

Particulars	31 March 2019	31 March 2018
General reserve [Refer (i) below]	15,253.22	15,253.22
Foreign exchange translation reserve [Refer (ii) below]	(1,734.78)	(3,204.66)
Capital reserve on consolidation [Refer (iii) below]	388.64	388.64
Fair value through other comprehensive income (FVOCI) - equity instruments [Refer (iv) below]	337.66	1,036.43
Retained earning [Refer (v) below]	60,820.38	57,963.25
<b>Total Other Equity</b>	<b>75,065.12</b>	<b>71,436.88</b>

#### (i) General reserve

Particulars	31 March 2019	31 March 2018
Opening balance	15,253.22	15,253.22
Add: Transfer from Retained Earning	-	-
Closing balance	15,253.22	15,253.22

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 17 OTHER EQUITY (Contd.)

#### (ii) Foreign currency translation reserve

Particulars	31 March 2019	31 March 2018
Opening balance	(3,204.66)	(2,037.57)
Increase/(decrease) during the year	1,469.88	(1,167.09)
Closing balance	(1,734.78)	(3,204.66)

#### (iii) Capital reserve on consolidation

Particulars	31 March 2019	31 March 2018
Opening balance	388.64	388.64
Increase/(decrease) during the year	-	-
Closing balance	388.64	388.64

#### (iv) Fair value through other comprehensive income (FVOCI)- equity instruments

Particulars	31 March 2019	31 March 2018
Opening balance	1,036.43	1,082.64
Change in fair value of FVOCI equity instruments (net of tax)	112.67	751.81
Gain on sale of equity instruments transferred to retained earning (net of tax)	(811.44)	(798.02)
Closing balance	337.66	1,036.43

#### (v) Retained earning

Particulars	31 March 2019	31 March 2018
Opening balance	57,963.25	54,850.02
Add : Net profit/(loss) for the year	2,810.36	2,900.40
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
Add: Remeasurement of post-employment benefit obligation (net of tax)	(89.09)	89.30
Less: Proposed Dividend on Equity Shares for the year	(560.40)	(560.40)
Less: Dividend Distribution Tax	(115.18)	(114.09)
Add: Gain on sale of equity instruments transferred from FVOCI - equity instruments (net of tax)	811.44	798.02
Closing balance	60,820.38	57,963.25

### Nature and purpose of other reserves

#### (i) General reserve

General Reserve is free reserve not meant for meeting any specific liability, contingency or commitment. General Reserve is created and utilised in compliance with the provision of the Act. Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

#### (ii) Foreign currency translation reserve

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries.

#### (iii) Capital reserve on consolidation

Bargain purchase gain arising on business combination has been recorded directly in capital reserve.

#### (iv) Fair value through other comprehensive income (FVOCI) - equity instruments

The Group has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income. These changes are accumulated within the FVOCI equity instrument reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 18 BORROWINGS

Particulars	31 March 2019	31 March 2018
<b>Non-Current</b>		
<b>Secured</b>		
Term loan - From banks [refer note(a) below]	5,389.81	5,842.40
	5,389.81	5,842.40
Less: Current maturities of long term borrowings	1,180.65	979.19
Add: Interest accrued on non-current borrowings	12.39	0.23
<b>Total Non-current borrowings</b>	<b>4,221.55</b>	<b>4,863.44</b>
<b>Current</b>		
<b>Secured</b>		
Loan Repayable on demand from Banks [refer note(b) below]	2,139.95	2,024.34
<b>Unsecured</b>		
Other Loans from Banks	2,054.05	2,112.44
Add: Interest accrued on current borrowings	7.04	7.06
<b>Total current borrowings</b>	<b>4,201.04</b>	<b>4,143.84</b>

### Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

Particulars	31 March 2019	31 March 2018
Cash and cash equivalents	626.86	480.24
Non-current borrowings	(4,221.55)	(4,863.44)
Current borrowings	(4,201.04)	(4,143.84)
Current maturities of long term borrowings	(1,180.65)	(979.19)
	<b>(8,976.38)</b>	<b>(9,506.23)</b>

Particulars	Other assets Cash and cash equivalents	Liabilities from financing activities		Total
		Non-current borrowings	Current borrowings	
Net debt as at 1 April 2017	233.82	(5,359.06)	(6,122.68)	(11,247.92)
Cash flows	252.45	(944.53)	2,082.30	1,390.22
Interest expense	-	(417.58)	(482.16)	(899.74)
Interest paid	-	301.76	440.84	742.60
<b>Non-cash movements:</b>				
Foreign exchange differences	(6.03)	313.13	(62.14)	244.96
Unamortised premium on long term borrowings	-	263.65	-	263.65
<b>Net debt as at 31 March 2018</b>	<b>480.24</b>	<b>(5,842.63)</b>	<b>(4,143.84)</b>	<b>(9,506.23)</b>
<b>Net debt as at 1 April 2018</b>	<b>480.24</b>	<b>(5,842.63)</b>	<b>(4,143.84)</b>	<b>(9,506.23)</b>
Cash flows	146.62	923.28	16.33	1,086.23
Interest expense	-	(444.22)	(335.27)	(779.49)
Interest paid	-	446.23	332.95	779.18
<b>Non-cash movements:</b>				
Foreign exchange differences	-	(439.17)	(71.21)	(510.38)
Unamortised premium on long term borrowings	-	(45.69)	-	(45.69)
<b>Net debt as at 31 March 2019</b>	<b>626.86</b>	<b>(5,402.20)</b>	<b>(4,201.04)</b>	<b>(8,976.38)</b>



## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 18 BORROWINGS (Contd.)

(a) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

Bank	Nature of Security	Terms of Repayment
Term Loan from banks	i) Term Loans (Auto Loans) from bank amounting to Rs. 7.53 lakhs (31 March 2018: Rs. 12.75 lakhs) are secured by hypothecation of respective vehicles.	Equated Monthly Installments beginning from the month subsequent to taking of the Loans.
	ii) Term Loan from Banks amounting to Rs. 3,875.79 lakhs (31 March 2018 : Rs. 4,199.70 lakhs) is secured by way of pari-passu charge on the tea estates of the Parent Company in India and negative pledge over the shares of subsidiary companies incorporated in Malawi.	Repayable in Half Yearly installments commencing from 31.12.2015, last installment payable on 30.06.2024.
	iii) Term Loan from Banks amounting to Rs. 637.45 lakhs (31 March 18 : Rs. 639.33 lakhs) is secured over the movable and immovable assets of the Makandi Tea and Coffee Estate Limited.	Repayable over a period of 4 years with 12 month moratorium on principal. First principal installment to be paid effective 30.04.2018 and will be fully repaid by December 2022.
	iv) Term Loan from Banks amounting to Rs. 869.04 lakhs (31 March 18 : Rs. 990.63 lakhs) is secured by way of first pari-passu charge on immovable/movable properties pertaining to Parent Company's tea gardens in India.	Repayable in 16 Quarterly installments commencing after a moratorium period of one year from the date of disbursement. First installment is repayable from 31 December 2018.

Figures indicated in (a) above includes current maturities of respective borrowings.

### (b) Repayment terms and nature of securities given for short term borrowings

Loans repayable on demand from Banks amounting to Rs. 623.86 lakhs (31 March 2018 : Rs 662.68 Lakhs) are secured by a first hypothecation charge on the current assets of the Parent Company, viz. stock of raw materials and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other movables, both present and future, wherever situated. Secured by a first hypothecation charge on the movable fixed assets of the Parent Company and equitable mortgage over the immovable properties by deposit of title deeds of tea estates of the Parent Company in India.

Loans repayable on demand from Banks amounting to Rs. 272.59 lakhs (31 March 2018 : Rs 387.64 Lakhs) are secured by a debenture of upto USD 3.0 Million over the Assets of Kawalazi Estates Company Limited with a requirement to create an additional debenture as and when required by Bank.

Loans repayable on demand from Banks amounting to Rs. 1,243.50 lakhs (31 March 2018: Rs 974.01 Lakhs) are secured over the movable and immovable assets of the Makandi Tea and Coffee Estate Limited.

### Note 19 OTHER FINANCIAL LIABILITIES

Particulars	31 March 2019	31 March 2018
<b>Non-Current</b>		
Security deposits	50.00	45.70
Lease equalisation	11.21	21.03
Deferred acquisition cost	128.39	147.50
<b>Total Other non-current financial liabilities</b>	<b>189.60</b>	<b>214.23</b>
<b>Current</b>		
Current maturities of long-term debts	1,180.65	979.19
Unpaid dividends [Refer (a) below]	24.02	17.91
Lease equalisation account	11.02	11.72
Employee benefits	1,493.46	857.33
Liability for capital goods	18.20	29.44
Deferred acquisition cost	31.89	32.83
Other financial liabilities	-	97.34
<b>Total Other current financial liabilities</b>	<b>2,759.24</b>	<b>2,025.76</b>

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

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 20 DEFERRED TAX LIABILITIES (NET)

Particulars	31 March 2019	31 March 2018
<b>Deferred tax liabilities</b>		
Property, plant and equipment	12,052.38	10,759.52
<b>Gross deferred tax liability</b>	<b>12,052.38</b>	<b>10,759.52</b>
<b>Deferred tax assets</b>		
MAT credit entitlement	278.43	160.00
Items allowable for tax purposes on payment	-	81.88
Others	409.97	346.36
<b>Gross deferred tax asset</b>	<b>688.40</b>	<b>588.24</b>
<b>Net deferred tax liability</b>	<b>11,363.98</b>	<b>10,171.28</b>

### Movement in deferred tax assets / (liability)

Particulars	Property, plant & equipment and Intangible asset	Items allowable for tax purposes on payment	MAT credit entitlement	Others (net)	Total
<b>At 01 April 2017</b>	11,363.43	(173.19)	-	2.68	11,192.92
Charged/(credited):					
- to profit or loss ^	(603.91)	91.31	(69.72)	(345.56)	(927.88)
- to other comprehensive income	-	-	(90.28)	(3.48)	(93.76)
<b>At 31 March 2018</b>	10,759.52	(81.88)	(160.00)	(346.36)	10,171.28
Charged/(credited):					
- to profit or loss ^	1,292.86	81.88	(118.43)	(11.74)	1,244.57
- to other comprehensive income	-	-	-	(51.87)	(51.87)
<b>At 31 March 2019</b>	<b>12,052.38</b>	<b>-</b>	<b>(278.43)</b>	<b>(409.97)</b>	<b>11,363.98</b>

^ Deferred Tax Charge /(Credit) for the year excludes exchange loss of Rs. 713.99 lakhs (31 March 2018 : exchange loss of Rs. 357.85 lakhs) on account of re-statement of year end deferred tax assets and liabilities.

### Note 21 OTHER LIABILITIES

Particulars	31 March 2019	31 March 2018
<b>Non current</b>		
Deferred income on account of government grant#	191.55	137.76
<b>Total Other non-current liabilities</b>	<b>191.55</b>	<b>137.76</b>
<b>Current</b>		
Advance from customers	-	60.22
Statutory dues	170.83	218.53
Deferred income on account of government grant#	3.87	2.08
Others	-	31.83
<b>Total Other current liabilities</b>	<b>174.70</b>	<b>312.66</b>

# During the year the Group has recognised Rs. 3.87 lakhs (31 March 2018 : Rs. 2.06 lakhs) in other income on account of government grants

### Note 22 TRADE PAYABLES

Particulars	31 March 2019	31 March 2018
<b>Current</b>		
Dues of Micro and Small Enterprises [Refer (a) below]	20.99	20.77
Dues of creditors other than Micro and Small Enterprises	2,563.31	2,100.68
<b>Total Trade payable</b>	<b>2,584.30</b>	<b>2,121.45</b>

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 22 TRADE PAYABLES (Contd.)

(a) The amount due to Micro and Small Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company. The disclosures relating to Micro and Small Enterprises are as below :

Particulars	31 March 2019	31 March 2018
(i) The principal amount remaining unpaid to supplier as at the end of the year	20.99	20.77
(ii) The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(iv) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

### Note 23 EMPLOYEE BENEFIT OBLIGATION

Particulars	31 March 2019	31 March 2018
<b>Current</b>		
Leave obligations	104.49	93.70
Pension and gratuity under defined contributory schemes	78.60	33.99
Gratuity	193.48	-
<b>Total Employee benefit obligation</b>	<b>376.57</b>	<b>127.69</b>

Refer to Note 29 for disclosures on employee benefits.

### Note 24 CURRENT TAX LIABILITIES (NET)

Particulars	31 March 2019	31 March 2018
Provision for income tax (net)	937.57	591.31
<b>Total Current tax liabilities</b>	<b>937.57</b>	<b>591.31</b>

### Note 25 REVENUE FROM OPERATIONS

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### A. Revenue streams

Particulars	31 March 2019	31 March 2018
Revenue from contracts with customers		
Sale of products - loose and packet tea	28,575.84	26,865.40
Sale of products - macadamia nuts	2,982.67	1,838.19
Sale of services - Business Management and Consultancy	868.10	897.74
Other operating revenues	2.22	4.60
<b>Total Revenue from Operations</b>	<b>32,428.83</b>	<b>29,605.93</b>

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 26 OTHER INCOME

Particulars	31 March 2019	31 March 2018
Interest Income (on instruments carried at amortised cost)	45.46	52.42
Foreign exchange gain (net)	70.31	-
Gain on investments designated as fair value through profit or loss	35.23	2.40
Gain on investments designated as fair value through profit or loss arising on sale	27.46	12.63
Gain on sale of a subsidiary	-	35.61
Liabilities no longer required written back	31.17	12.23
Rent received	5.14	5.14
Income from government grant	3.36	2.06
Dividend income (on equity instruments through FVOCI)	21.32	11.67
Profit on sale of property, plant and equipment	0.82	-
Insurance claim	180.28	41.13
Miscellaneous income	57.14	66.54
<b>Total Other Income</b>	<b>477.69</b>	<b>241.83</b>

### Note 27 COST OF MATERIALS CONSUMED

Particulars	31 March 2019	31 March 2018
Green leaf - purchased and consumed	4,362.94	3,698.88
<b>Total Cost of Materials Consumed</b>	<b>4,362.94</b>	<b>3,698.88</b>

### Note 28 CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year		
Finished Goods	1,354.63	1,308.94
Balance at the end of year		
Finished Goods	1,783.88	1,354.63
Exchange differences	(77.81)	(24.17)
<b>Total (Increase)/Decrease in Finished Goods</b>	<b>(507.06)</b>	<b>(69.86)</b>

### Note 29 EMPLOYEE BENEFITS EXPENSE

Particulars	31 March 2019	31 March 2018
Salaries and Wages	7,216.21	6,346.56
Contribution to provident and other funds	858.23	790.40
Staff welfare expenses	536.24	530.18
<b>Total employee benefit expense</b>	<b>8,610.68</b>	<b>7,667.14</b>

During the year, the Group recognised an amount of Rs. 43.12 lakhs (2017-18: Rs.33.25 lakhs ) as remuneration to key managerial personnel. The detail is as below :

Particulars	31 March 2019	31 March 2018
Short-term employee benefits	36.53	29.67
Post employment benefits	6.59	3.58
<b>Total</b>	<b>43.12</b>	<b>33.25</b>

#### (i) Leave Obligations

##### (a) 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.

##### (b) Compensated Absences

Compensated absences cover the Group's liability for sick and earned leave. As the Group does not have an unconditional right to defer the payment beyond 12 months the entire amount has been treated as current.

#### (ii) Defined contribution plan

**Provident Fund :** The Parent Company contributes 12% of the basic salary of employees towards Provident Fund Scheme to the relevant provident fund authorities (Regional Provident Fund Commissioner/ Assam Tea Plantation Provident Fund account).

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 29 EMPLOYEE BENEFIT EXPENSES (Contd.)

The Parent Company contributed Rs. 591.57 lakhs and Rs. 512.65 lakhs during the year ended 31 March 2019 and 31 March 2018 respectively.

**Superannuation Fund :** The Parent company provides for Superannuation benefit to certain employees wherein 15% of basic salary is funded with Life Insurance Corporation of India.

The Parent company contributed Rs. 8.76 lakhs and Rs. 7.84 lakhs during the year ended 31 March 2019 and 31 March 2018 respectively.

**Others:** Others consist of company and employee's contribution to:

Employees Pension Scheme [Total amount charged to the Statement of Profit and Loss for the year Rs.11.16 lakhs (Previous Year 2017-18 Rs.11.47 lakhs)]

Employees State Insurance [Total amount charged to the Statement of Profit and Loss for the year Rs.1.01 lakhs (Previous Year 2017-18 Rs.1.46 lakhs)]

#### (iii) Post Employment Benefits Plans

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 of Rs. 20 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 2(10)(iii) based upon which the Company makes annual contributions for Gratuity to the Trust Fund.

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 to such funds amount to Rs. 82.22 lakhs and Rs. 12.05 lakhs during the year ended 31 March 2019 and 31 March 2018 respectively.

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 to such funds amount to Rs. 83.65 lakhs and Rs. 113.92 lakhs during the year ended 31 March 2019 and 31 March 2018 respectively.

#### (iv) Balance Sheet recognition

##### a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

Particulars	Present Value of Obligation	Fair Value of plan assets	Net Amount
01 April 2017	2,018.35	1,788.68	229.67
Current service cost	113.02	-	113.02
Interest expense/income	138.00	130.00	8.00
Past service cost - plan amendments	10.00	-	10.00
<b>Total amount recognised in profit or loss</b>	<b>261.02</b>	<b>130.00</b>	<b>131.02</b>
<i>Remeasurement</i>	-	-	-
Return on plan assets, excluding amounts included in interest expense/(income)	-	7.82	(7.82)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	(55.28)	-	(55.28)
Actuarial (gain)/loss from unexpected experience	(67.91)	-	(67.91)
<b>Total amount recognised in other comprehensive income</b>	<b>(123.19)</b>	<b>7.82</b>	<b>(131.01)</b>
Employer contributions/ premium paid	-	229.68	(229.68)
Benefit payments	149.50	149.50	-
<b>31 March 2018</b>	<b>2,006.68</b>	<b>2,006.68</b>	<b>-</b>

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 29 EMPLOYEE BENEFIT EXPENSES (Contd.)

Particulars	Present Value of Obligation	Fair Value of plan assets	Net Amount
01 April 2018	2,006.68	2,006.68	-
Current service cost	98.89	-	98.89
Interest expense/income	133.47	152.50	(19.03)
Total amount recognised in profit or loss	232.36	152.50	79.86
Remeasurement			-
Return on plan assets, excluding amounts included in interest expense/(income)	-	5.96	(5.96)
Actuarial (gain)/loss from change in demographic assumptions	-	-	-
Actuarial (gain)/loss from change in financial assumptions	21.68	-	21.68
Actuarial (gain)/loss from unexpected experience	97.90	-	97.90
Total amount recognised in other comprehensive income	119.58	5.96	113.62
Employer contributions/ premium paid	-	-	-
Benefit payments	123.03	123.03	-
31 March 2019	2,235.59	2,042.11	193.48

#### (v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows :

Particulars	31 March 2019	31 March 2018
Discount rate	7.50%	7.60%
Expected return on plan asset	7.50%	8.00%
Salary growth rate	6.00%	6.00%
Attrition rate	1.00%	1.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (2006-08) (modified) Ultimate

#### (vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :

Particulars	Impact on defined benefit obligation			
	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 1%)	(163.67)	190.69	(139.41)	162.07
Salary growth rate (-/+ 1%)	191.71	167.31	163.10	(142.64)
Attrition rate (-/+ 1%)	20.52	23.25	18.59	(21.02)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.



## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 29 EMPLOYEE BENEFIT EXPENSES (Contd.)

#### (vii) The major categories of plans assets

Particulars	31 March 2019	31 March 2018
Investment with Private Insurance Companies	27.14%	25.49%
Administered by Life Insurance Corporation of India	70.22%	72.31%
Investment in Mutual Fund	0.59%	0.55%
Special Deposits and Bonds	1.33%	1.35%
Others Including Bank Balances	0.72%	0.30%

#### (viii) Risk exposure

Through its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

##### Investment risk :

If plan is funded, then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

##### Interest risk :

A decrease in the interest rate on plan assets will increase the plan liability.

##### Life expectancy :

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

##### Salary growth risk :

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

#### (ix) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the year ending 31 March 2020 is Rs. 193.48 (31 March 2019: Rs. Nil)

The weighted average duration of the defined benefit obligation is 10 years (31 March 2019 – 10 years).

### Note 30 FINANCE COSTS

Particulars	31 March 2019	31 March 2018
Interest expense	505.46	701.76
Other borrowing costs	299.86	161.14
Applicable net loss on foreign currency transactions and translation	(8.94)	91.96
	796.38	954.86
Less: Interest capitalised	(69.37)	(55.13)
<b>Total Finance Cost</b>	<b>727.01</b>	<b>899.73</b>

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the parent entity's total borrowing during the year, in this case is 7.00%, (31 March 2018: 10.73%)

### Note 31 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	31 March 2019	31 March 2018
Depreciation on property, plant and equipment	1,866.15	1,744.99
<b>Total</b>	<b>1,866.15</b>	<b>1,744.99</b>

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 32 OTHER EXPENSES

Particulars	31 March 2019	31 March 2018
Consumption of stores and spare parts including Packing Material	5,414.04	4,317.11
Power & fuel	3,158.60	2,787.90
Rent	155.72	250.24
Repairs and maintenance		
Plant & machinery	576.83	475.02
Buildings	132.37	123.54
Others	550.28	470.68
Insurance	190.17	148.94
Rates and taxes	70.65	63.41
Freight, delivery and shipping charges	843.85	801.43
Brokerage and commission on sales	85.62	165.79
Other selling expenses	137.10	370.16
Cess on tea	155.77	154.84
Auditors' remuneration	82.10	69.93
Advertisements	149.54	213.84
Travelling and conveyance	385.28	391.22
Allowances for doubtful debt	-	7.88
Expenditure towards Corporate Social Responsibility activities	31.20	39.36
Net loss on foreign currency transactions/translations	-	150.53
Loss on sale of property, plant and equipment	-	93.63
Inventory of raw materials written off	36.88	2.29
Miscellaneous expenses	1,968.06	1,958.05
<b>Total</b>	<b>14,124.06</b>	<b>13,055.79</b>

### Note 33 EARNINGS PER SHARE

Particulars	31 March 2019	31 March 2018
(i) Basic and Diluted*		
Number of equity shares at the beginning of the year	7,004,951	7,004,951
Number of equity shares at the end of the year	7,004,951	7,004,951
Weighted average number of equity shares outstanding during the year (A)	7,004,951	7,004,951
Nominal value of each equity Share (Rs.)	10	10
Profit / (Loss) for the year (Rs. in lakhs) (B)	2,810.36	2,900.40
Earnings per share (Basic) (Rs.) (B/A)	40.12	41.40

\* the Group does not have any instruments for which diluted earnings per share needs to be calculated.

### Note 34 INCOME TAX EXPENSE

This note provides an analysis of the Group's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax positions.

Particulars	31 March 2019	31 March 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year	813.23	486.03
<b>Total current tax expense</b>	<b>813.23</b>	<b>486.03</b>
Decrease (increase) in deferred tax liabilities	530.59	(570.03)
<b>Total deferred tax expense/(benefit)</b>	<b>530.59</b>	<b>(570.03)</b>
<b>Income tax expense</b>	<b>1,343.82</b>	<b>(84.00)</b>

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 34 INCOME TAX EXPENSE (Contd.)

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate :

Particulars	31 March 2019	31 March 2018
Profit before tax	4,154.18	2,816.40
Tax on above#	1,246.62	787.29
Tax effects of :		
Additional deductions available in tax	-	(520.99)
Permanent differences	108.25	72.47
Tax exemption	(6.32)	(24.08)
Income taxed at different rates	(22.46)	13.58
Weighted deductions	(3.44)	(4.73)
Earlier year tax adjustment	80.43	-
Impact on account of change in statutory tax rate*	-	(258.02)
Others	(59.26)	(149.52)
Total income tax expense/(credit)	1,343.82	(84.00)

# The Statutory tax rate applicable to various entities in the group range from 17% - 30% (31 st March 2018 - 17% - 31.84%)

\* The Finance Act, 2018, changed the statutory tax rate applicable for the Parent Company in India (for corporate income tax) from 34.61% to 29.12% from assessment year 2019-20 (including surcharge and cess). However, the Company is also subject to agricultural income tax to the extent of 60% of its business income at the rate of 30% (31 March 2018 - 30%). In the previous year, the Company has accordingly re-measured the deferred tax expected to reverse in future periods based on the revised rate applicable i.e 29.65%.

### Note 35 CAPITAL MANAGEMENT

#### (a) Risk management

The Group's objectives when managing capital are to :

- (a) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (b) maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Group which comprises issued share capital and accumulated reserves disclosed in the Statement of Changes in Equity.

Consistent with others in the industry, the Group monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Group.

Net Debt implies borrowings of the Group as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Group.

The following table summarises the Net Debt, Equity and Ratio thereof.

Particulars	Note	31 March 2019	31 March 2018
(i) Total Debt			
Borrowings - Non-current	18	4,221.55	4,863.44
- Current	18	4,201.04	4,143.84
Current Maturities of Long Term Debt	19	1,180.65	979.19
		9,603.24	9,986.47
Less : Cash and Cash Equivalents	14	626.86	480.24
Net Debt		8,976.38	9,506.23
(ii) Equity attributable to Shareholders		75,765.62	72,137.38
(iii) Net debt to equity ratio		11.85%	13.18%

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 35 CAPITAL MANAGEMENT (Contd.)

Under the terms of the major borrowing facilities, the Group has complied with the financial covenants as imposed by the bank and financial institutions.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2019 and 31 March 2018.

#### (b) Dividend

Particulars	31 March 2019	31 March 2018
(i) Equity Shares		
Final dividend for the year ended 31 March 2018 of Rs. 8/- (31 March 2017 - Rs 8/-) per fully paid share	560.40	560.40
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of final dividend of Rs. 5/- per fully paid equity share (31 March 2018 - Rs 8/-). This proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting.	350.25	560.40

### Note 36 FAIR VALUE MEASUREMENTS

This section gives an overview of the significance of financial instruments for the Group and provides additional information on Balance Sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

#### Financial instruments by category

Particulars	31 March 2019				
	FVPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>					
(i) Investments	730.35	3,581.87	-	4,312.22	4,312.22
(ii) Loans -	-	-	11.04	11.04	11.04
(iii) Trade receivables	-	-	4,387.08	4,387.08	4,387.08
(iv) Cash and cash equivalents	-	-	626.86	626.86	626.86
(v) Other bank balance	-	-	24.02	24.02	24.02
(vi) Other financial assets	-	-	1,078.12	1,078.12	1,078.12
<b>Total financial assets</b>	<b>730.35</b>	<b>3,581.87</b>	<b>6,127.12</b>	<b>10,439.34</b>	<b>10,439.34</b>
<b>Financial liabilities</b>					
(i) Borrowings	-	-	8,422.59	8,422.59	8,422.59
(ii) Trade and other payables	-	-	2,584.30	2,584.30	2,584.30
(iii) Other financial liabilities	-	-	2,948.84	2,948.84	2,948.84
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>13,955.73</b>	<b>13,955.73</b>	<b>13,955.73</b>

Particulars	31 March 2018				
	FVPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>					
(i) Investments	1,053.03	3,150.85	-	4,203.88	4,203.88
(ii) Loans	-	-	13.93	13.93	13.93
(iii) Trade receivables	-	-	4,855.63	4,855.63	4,855.63
(iv) Cash and cash equivalents	-	-	480.24	480.24	480.24
(v) Other bank balance	-	-	17.91	17.91	17.91
(vi) Other financial assets	-	-	1,067.26	1,067.26	1,067.26
<b>Total financial assets</b>	<b>1,053.03</b>	<b>3,150.85</b>	<b>6,434.97</b>	<b>10,638.85</b>	<b>10,638.85</b>

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 36 FAIR VALUE MEASUREMENTS (Contd.)

#### Financial instruments by category (Contd.)

Particulars	31 March 2018				
	FVPL	FVOCI	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial liabilities</b>					
(i) Borrowings	-	-	9,007.28	9,007.28	9,007.28
(ii) Trade and other payables	-	-	2,121.45	2,121.45	2,121.45
(iii) Other financial liabilities	-	-	2,239.99	2,239.99	2,239.99
<b>Total financial liabilities</b>	-	-	<b>13,368.72</b>	<b>13,368.72</b>	<b>13,368.72</b>

#### (i) Fair value hierarchy

##### (a) Financial Instruments

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Particulars	31 March 2019			31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets:</b>						
Investments	3,893.91	-	418.31	3,617.07	-	586.81
	3,893.91	-	418.31	3,617.07	-	586.81

##### (b) Biological assets other than bearer plants

This section explains the judgements and estimates made in determining the fair values of the biological assets other than bearer plants that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its biological assets other than bearer plants of India and Malawi into level 2 & level 3 in the fair value hierarchy respectively.

Biological assets other than bearer plants for which fair value (less cost to sell) are disclosed

Particulars	31 March 2019			31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Biological assets (India)	-	48.91	-	-	58.77	-
Biological assets (Malawi)	-	-	1,791.11	-	-	1,190.31
	-	48.91	1,791.11	-	58.77	1,190.31

The following table illustrates the sensitivity to a 5 % variation in each of the significant unobservable inputs used to measure the fair value of the biological assets on 31 March 2019 and 31 March 2018.

#### Impacts in the fair value resulting from :

Significant variable inputs	2019		2018	
	5% decrease	5% increase	5% decrease	5% increase
<b>Biological assets (India) :</b>				
Purchase prices	(2.45)	2.45	(2.94)	2.94
<b>Biological assets (Malawi):</b>				
Average yield	(51.42)	51.42	(69.18)	69.18
Average sales price	(59.96)	59.96	(59.46)	59.46

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below :

**Quoted prices in an active market (Level 1) :** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual fund. The fair value for all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 36 FAIR VALUE MEASUREMENTS (Contd.)

**Valuation techniques with observable inputs (Level 2):** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Group's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

#### (ii) Transfers between level 1, level 2 and level 3

During the year shares of Orient Electric Ltd. got listed on the stock exchange. As at 31 March 2018 they were unlisted and were valued using valuation techniques under level 3, carrying value was Rs. 234.39 lakhs. Since, the shares got listed, their quoted prices are readily available these have been transferred to instruments valued using level 1 technique.

#### (iii) Valuation technique used to determine fair value

Specific valuation technique used to determine fair value includes :

- Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available the management has involved valuation experts to determine the fair value of the investments. Different valuation techniques have been used by the valuers for different investments.
- The carrying amounts of other financial assets and liabilities carried at amortised cost closely approximate their fair values. The impact of discounting on such financial assets or liabilities is not significant due to the market terms (rates and tenor) available and because the instruments are short term in nature or do not have any fixed contractual maturities.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

#### (iv) Equity Instruments carried at fair value through other comprehensive income

These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Group has chosen to designate this investments in equity instruments at FVOCI since, it provides a more meaningful presentation.

(v) During the year, the Group has sold certain investments to meet its strategic purpose.

### Note 37 FINANCIAL RISK MANAGEMENT

In the course of its business, the Group is exposed primarily to fluctuations in interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. In order to minimise any adverse effects on the financial performance of the Group, the Group has risk management policies as described below :

#### (A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions and other financial instruments carried at amortised cost.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments and cash and cash equivalents held by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 6,127.10 lakhs and Rs. 6,647.96 lakhs as at 31 March 2019 and 31 March 2018 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits and other financial assets.



## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 37 FINANCIAL RISK MANAGEMENT (Contd.)

#### i) Trade and other receivables

Credit risk on receivables is minimum since sales through different mode (eg. auction, consignment, private) are made after judging credit worthiness of the customers or advance payment. The history of defaults has been minimal and outstanding receivables are regularly monitored.

The Group is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2018-19	2017-18
Opening balance	28.01	21.07
Charge in statement of profit and loss	-	7.88
Exchange differences	-	(0.94)
Less : Utilised during the year	(28.01)	-
	-	28.01

#### ii) Financial instruments and bank deposits

For credit risk on the loans to parties, the Group is not expecting any material risk on account of non-performance by any of the parties. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### (B) Liquidity Risk

Liquidity risk refers to the risk that the Group may encounter difficulty in meeting its financial obligations in accordance with terms of contract. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity position (including the undrawn credit facilities extended by banks and financial institutions) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### (i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities :

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31 March 2019	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Borrowings	5,374.65	2,471.42	1,629.72	343.38	9,819.17
Other financial liabilities	1,395.06	149.70	92.88	90.73	1,728.37
Trade payables	2,584.30	-	-	-	2,584.30
Interest payable on above borrowings**	282.71	354.31	154.43	10.80	802.25
<b>Total financial liabilities</b>	<b>9,636.72</b>	<b>2,975.43</b>	<b>1,877.03</b>	<b>444.91</b>	<b>14,934.09</b>

\*\* Based on closing rates

Contractual maturities of financial liabilities 31 March 2018	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Borrowings	5,707.35	1,885.49	1,753.58	1,003.66	10,350.08
Other financial liabilities	1,056.33	150.38	85.93	126.80	1,419.44
Trade payables	2,121.45	-	-	-	2,121.45
Interest payable on above borrowings**	268.28	389.07	205.66	42.75	905.76
<b>Total financial liabilities</b>	<b>9,153.41</b>	<b>2,424.94</b>	<b>2,045.17</b>	<b>1,173.21</b>	<b>14,796.73</b>

\*\* Based on closing rates

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 37 FINANCIAL RISK MANAGEMENT (Contd.)

#### (C) Market Risk

##### (i) Foreign currency risk

The Group deals with foreign currency loan, trade and other receivables, cash and cash equivalents, trade payables, etc. and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Group is exposed to foreign exchange risk through its trade and other receivables, cash and cash equivalents, they also have borrowings denominated in foreign currencies. The management regularly monitors the currency movement to manage its currency risk.

##### Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs (foreign currency amount multiplied by closing rate), are as follows:

	31 March 2019		31 March 2018	
	USD	EUR	USD	EUR
<b>Financial assets</b>				
Trade and other receivables (excluding prepayments)	1,427.25	-	1,225.49	-
Other financial assets	213.39	-	-	-
Cash and cash equivalents	98.35	-	83.45	-
<b>Financial liabilities</b>				
Trade and other payables	1,454.75	-	890.38	-
Other financial liabilities	116.81	-	180.34	-
Borrowings	1,729.90	1,557.06	1,361.66	1,612.45
<b>Net exposure to foreign currency risk</b>	<b>(1,562.47)</b>	<b>(1,557.06)</b>	<b>(1,123.44)</b>	<b>(1,612.45)</b>

(Values in Rs. Lakhs)

##### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit before tax		Impact on equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>USD sensitivity</b>				
Rs/USD appreciates by 5% (31 March 2018 - 5%)@	78.12	56.17	54.96	38.29
Rs/USD depreciates by 5% (31 March 2018 - 5%)@	(78.12)	(56.17)	(54.96)	(38.29)
<b>EUR sensitivity</b>				
Rs/EUR appreciates by 5% (31 March 2018 - 5%)@	77.85	80.62	54.77	55.03
Rs/EUR depreciates by 5% (31 March 2018 - 5%)@	(77.85)	(80.62)	(54.77)	(55.03)

@ Holding all other variables constant

##### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31 March 2019 and 31 March 2018, the Group's borrowings at variable rate were denominated in both Rupees and foreign currency.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 37 FINANCIAL RISK MANAGEMENT (Contd.)

#### (a) Interest rate risk exposure

##### On Financial Liabilities :

The exposure of the Group's financial liabilities to interest rate risk is as follows :

Particulars	31 March 2019	31 March 2018
Variable rate borrowings	8,457.18	9,086.12
Fixed rate borrowings	1,144.98	1,152.08
<b>Total borrowings</b>	<b>9,602.16</b>	<b>10,238.20</b>

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

	Impact on profit before tax		Impact on equity	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Interest expense rates – increase by 50 basis points (50 bps)*	(42.29)	(45.43)	(29.75)	(30.96)
Interest expense rates – decrease by 50 basis points (50 bps)*	42.29	45.43	29.75	30.96

\* Holding all other variables constant

#### (iii) Price Risk

##### (a) Exposure

The Group's exposure to equity securities & mutual funds price risk arises from investments held by the Group and classified in the balance sheet at fair value through Other Comprehensive Income or at Fair Value through Statement of Profit & Loss. To manage its price risk arising from investments in equity securities & mutual funds, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. In general, these investments are not held for trading purposes.

The majority of the Group's equity investments & mutual funds are publicly traded.

##### (b) Sensitivity

The table below summarizes the impact of increase/decrease of the share prices on the Group's equity.

	Impact on equity	
	31 March 2019	31 March 2018
Share price - Increase 5%*	215.61	210.19
Share price - Decrease 5%*	(215.61)	(210.19)

\* Holding all other variables constant

#### (D) Agricultural Risk

Cultivation of tea, macademia nuts and timber being agricultural activities, there are certain specific financial risks. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods due to change in supply/availability.

The Group manages the above financial risks in the following manner:

- Sufficient inventory levels of agro chemicals, fertilizers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- Sufficient level of consumable stores viz packing materials, coal and HSD are maintained in order to mitigate financial risk arising from logistics problems.
- Sufficient working-capital-facility is obtained from banks in such a way that cultivation, manufacture and sale of tea, macademia nuts and timber are not adversely affected even in times of adverse conditions.

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 38 SEGMENT REPORTING

The Group is primarily engaged in business of cultivation, manufacture and sale of tea and macademia nuts and other allied services relating to plantation sector across various geographical locations with different political and economic environment, risks and return etc. Accordingly, operating segments have been identified based on the different geographical areas. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker viz. board of directors.

Segment assets / liabilities comprise assets / liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work-in-progress, goodwill, non-current investments, inventories, cash and cash equivalents, inter-segment assets. Segment liabilities primarily include operating liabilities. Segment capital expenditure include additions to property, plant and equipment.

The reporting segments of the Company are as below:

**India :** This covers cultivation, manufacture and sale of tea from India and other allied services relating to plantation sector.

**Malawi :** This primarily covers business of cultivation, manufacture and sale of tea and macademia nuts from Malawi and other allied services relating to plantation sector.

Summary of the segmental information for the year ended and as of 31 March 2019 is as follows :

Particulars	India	Malawi	Unallocated	Total
<b>Segment Revenue</b>				
Revenue	18,081.27	14,347.56	-	32,428.83
	18,081.27	14,347.56	-	32,428.83
Segment Results [Profit/(Loss) before interest and tax]	404.63	4,347.09	129.47	4,881.19
Finance cost			(727.01)	(727.01)
<b>Profit/(Loss) Before Tax</b>				<b>4,154.18</b>
Segment Assets	58,629.11	37,924.25	6,301.36	102,854.72
Segment Liabilities	3,535.40	1,498.33	22,055.37	27,089.10
Segment Capital Expenditure	674.77	3,095.53	-	3,770.30
Segment Depreciation and amortisation	750.04	1,116.11	-	1,866.15

Summary of the segmental information for the year ended and as of 31 March 2018 is as follows:

Particulars	India	Malawi	Unallocated	Total
<b>Segment Revenue</b>				
Revenue	17,701.63	11,904.30	-	29,605.93
	17,701.63	11,904.30	-	29,605.93
Segment Results [Profit/(Loss) before interest and tax]	1,010.86	2,648.80	56.47	3,716.13
Finance cost			(899.73)	(899.73)
<b>Profit/(Loss) Before Tax</b>				<b>2,816.40</b>
Segment Assets	58,698.71	32,256.20	5,891.89	96,846.80
Segment Liabilities	2,668.56	1,387.88	20,652.98	24,709.42
Segment Capital Expenditure	527.83	1,558.98	-	2,086.81
Segment Depreciation and amortisation	743.90	1,001.09	-	1,744.99

### Geographical Information

(a) Revenue from external customers:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
India	18,081.27	17,701.63
Others	14,347.56	11,904.30
	32,428.83	29,605.93

Two customers of the group account for approximately 40% of the sales being made for the year ended 31 March 2019 (31 March 2018: 36%)

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 39 RELATED PARTY TRANSACTIONS

#### Name of the related parties and description of relationship

#### (A) Group Companies/Enterprises in which Key Management Personnel have significant influence and with whom transactions took place during the year :

(1) Naga Dhunseri Group Limited	(2) Trimplex Investments Limited
(3) Mint Investments Limited	(4) Dhunseri Investments Limited
(5) Dhunseri Ventures Limited w.e.f 11 December 2018 (formerly known as Dhunseri Petrochem Ltd)	(6) IVL Dhunseri Petrochem Industries Private Limited
(7) Khaitan & Co	(8) Khaitan & Co LLP

#### (B) Key Management Personnel (KMP) @

Name	Designation
(1) Mr. C.K.Dhanuka	Chairman and Managing Director
(2) Mr. Mrigank Dhanuka (w.e.f 14 February 2018)	Executive Director
(3) Mr. R.K.Sharma	Non-Executive Director
(4) Mr. Basudeo Beriwal	Non-Executive Director (upto 21 May 2018)
(5) Mr. Ashoke Kumar Dutta	Non-Executive Director (effective 21 May 2018)
(6) Mr. Bharat Bajoria	Non-Executive Director
(7) Ms. Nandini Khaitan	Non-Executive Director
(8) Mr. Vivek Goenka (w.e.f 30 August 2017)	Non-Executive Director

#### (C) Post employment Benefit Plan Entity

- (1) Dhunseri Petrochem Limited Employees Gratuity Fund

#### (D) Details of related party transactions/balances

The following transactions occurred with the related parties :

Related Party	Relationship	Outstanding as at 31st March, 2019	Outstanding as at 31st March, 2018	Payable/receivable/ others	Nature of Transaction	2018-2019	2017-2018
Dhunseri Ventures Limited	A	2.12	-	Receivable	Reimbursement of Expenses	2.12	-
IVL Dhunseri Petrochem Industries Private Limited	A	0.38	-	Receivable	Reimbursement of Expenses	0.38	-
Trimplex Investments Limited	A	61.50	61.50	Security deposit - receivable	Rent and Service Charges	81.65	83.54
Naga Dhunseri Group Limited	A	-	-	-	Rent Paid	32.81	33.15
Mint Investments Limited	A	-	-	-	Rent and Service Charges	41.50	31.31
Dhunseri Investments Limited	A	-	-	-	Rent Paid	30.01	29.33
Khaitan & Co	A	-	0.30	Payable	Legal and Professional Fees & Reimbursement of Expenses	7.44	48.24
Khaitan & Co LLP	A	1.55	2.92	Payable	Legal and Professional Fees & Reimbursement of Expenses	13.60	20.20
Mr. C.K. Dhanuka @	B	- (25.00)	(4.00) (25.00)	Commission Payable Security deposit - Payable	Short-term employee benefits Post employment benefits	21.21 3.63	25.94 3.44
Mr. M. Dhanuka @	B	- (25.00)	(2.00) (25.00)	Commission Payable Security deposit - Payable	Rent Received Short-term employee benefits Post employment benefits	0.60 15.32 2.96	0.60 3.73 0.14
					Rent Received Sitting Fees Electricity deposit refund	0.60 - -	0.60 0.20 0.71

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 39 RELATED PARTY TRANSACTIONS (Contd.)

#### (D) Details of related party transactions/balances (Contd.)

The following transactions occurred with the related parties :

Related Party	Relationship	Outstanding as at 31st March, 2019	Outstanding as at 31st March, 2018	Payable/ receivable/ others	Nature of Transaction	2018-2019	2017-2018
Mr. R.K.Sharma	B	-	-	-	Sitting Fees	0.30	0.40
Mr. Basudeo Beriwalla	B	-	-	-	Sitting Fees	0.25	0.95
Mr. Bharat Bajoria	B	-	-	-	Sitting Fees	0.65	0.65
Mr. Vivek Goenka	B	-	-	-	Sitting Fees	0.80	0.60
Mr. Ashoke Kumar Dutta	B	-	-	-	Sitting Fees	0.15	-
Ms. Nandini Khaitan	B	-	-	-	Sitting Fees	0.65	0.65
Post employment Benefit Plan Entity Dhunseri Petrochem Limited Employees Gratuity Fund	C	193.48	-	-	Contribution	-	229.68

@ Details of remuneration to key managerial personnel have been included in note 29

#### Other Terms & Condition of related party transaction

Transactions related to dividend were on the same terms and conditions that applied to other shareholders. The other transactions are made in the ordinary course of business. Outstanding balances at the year end are unsecured. No provision are held against receivable from related parties.

### Note 40 Fair value of biological assets and agricultural produce

The carrying amount of the Biological Assets other than bearer plants as per Note 12 of the Financial Statements amounts to Rs. 48.91 lakhs relating to Parent Company.

The carrying amount of the Finished Goods (Inventories) as per Note 11 of the Financial Statements amounts to Rs. 1028.19 lakhs relating to Parent Company. The same comprise of Tea made out of tea leaves harvested from own gardens ("agricultural produce") amounting to Rs. 555.77 lakhs and Tea made out of purchased tea leaves amounting to Rs. 472.42 lakhs.

The biological assets ("Tea leaves growing on tea bushes") and agricultural produce used in the production of finished goods of tea used in such inventory are stated at fair value less costs to sell. Such inventory of Tea is carried at the lower of cost and net realizable value. The same is applying the principles of Ind AS 41 and Ind AS 2.

The valuation of biological assets and agricultural produce used in the production of finished goods (Tea) involves judgements in the consideration of factors used in the determination of fair value of such agricultural produce. The Company considers various factors such as comparing the actual selling prices prevailing around year end for completed seasonal cycle, including technical factors which determine the quality and hence the fair value of biological assets and agricultural produce. The said practice is consistently practiced by the Parent Company.

### Note 41 CONTINGENT LIABILITIES

Particulars	31 March 2019	31 March 2018
(a) Claims against the Group not acknowledged as debts		
(i) Income Tax-matter under dispute	63.61	16.40
(ii) Cases which are pending in the courts of Malawi	122.45	70.89
(b) Bank Guarantee given for employees	24.69	20.86
	210.75	108.15

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.

The Group does not expect any reimbursements in respect of the above contingent liabilities.



## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 41 CONTINGENT LIABILITIES (Contd.)

The Parent Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Consolidated Financial Statements.

### Note 42 COMMITMENTS

Particulars	31 March 2019	31 March 2018
<b>Capital Commitments</b>		
Estimated value of contracts in capital account remaining to be executed		
[net of advances Rs. 137.24 lakhs (31 March 2018: Rs. 64.80)]	127.05	178.95
	127.05	178.95

### Note 43 PROPOSED DIVIDEND

Particulars	31 March 2019	31 March 2018
The final dividend proposed for the year is as follows:		
On Equity Shares of Rs 10 each		
(i) Amount of dividend proposed for the year by the Parent Company	350.25	560.40
(ii) Dividend per Equity Share (Rs)	5.00	8.00
(iii) Related Tax Impact (Rs)	71.99	115.19

The Board of Directors in its meeting on May 24, 2019 has proposed a final dividend of Rs 5/- per equity share for the financial year ended March 31, 2019. The proposal is subject to the approval of the shareholders at the Annual General Meeting and if approved would result in a cash outflow of Rs 422.24 Lakhs (including taxes).

### Note 44 CHANGES IN ACCOUNTING POLICY

The Group Company adopted Ind AS 115-Revenue from Contracts with Customers from April 1, 2018 resulting in changes in accounting policy and adjustments to the amount recognised in financial statements.

In accordance with the transitional provisions of Ind AS 115, the Group has adopted the new rules using the modified retrospective method. As a result of which, financial statement for the current year have changed as compared to what it would otherwise be under Ind AS 18, the changes include decrease in Revenue from Operations (note 25) by Rs. 251.03 lakhs, decrease in Brokerage and commission on sales (note 32) by Rs. 54.09 lakhs and decrease in Other Selling Expenses (note 32) by Rs. 196.94 lakhs.

### Note 45 LEASE OBLIGATION

#### Operating Lease

The Group has taken various office premises, factory premises and residential accommodation for employees under operating cancellable lease arrangements. There is no specific obligation for renewal of these agreements.

Particulars	31 March 2019	31 March 2018
Lease rent charged to the Statement of Profit and Loss	140.51	250.24

### Note 46

The holding company has entered into a non-binding term sheet to sell its branded tea business presently undertaken under the brands Lal Ghora and Kala Ghora for an aggregate consideration of Rs.101 crores to Tata Global Beverages Limited. The proposed sale shall be subject to due-diligence by the buyer including definitive binding agreements and applicable statutory/ regulatory approvals. The financial effects of which can be quantified only once the said transaction is concluded.

### Note 47

Miscellaneous expenses (Refer Note 32) include a donation of Rs 5 lakh (Previous Year Rs Nil) for a political purpose to Assam Pradesh Congress Committee.

## Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakhs unless otherwise stated)

### Note 48 STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTEREST

Name of the entity	2018-19							
	Net Assets		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated Net Profit / (Loss)	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income
<b>Parent Company</b>								
Dhunseri Tea & Industries Limited	54,001.31	71.28	121.90	4.34	23.58	1.58	145.48	3.38
<b>Subsidiary</b>								
<b>Foreign</b>								
Dhunseri Petrochem and Tea Pte Limited	(1,718.68)	(2.27)	(11.19)	(0.40)	-	-	(11.19)	(0.26)
Dhunseri Mauritius Pte Limited	(2.13)	0.00	(12.14)	(0.43)	-	-	(12.14)	(0.28)
Makandi Tea and Coffee Estates Limited	11,378.93	15.02	1,512.36	53.82	-	-	1,512.36	35.14
AM Henderson & Sons Ltd	1,403.38	1.85	(14.22)	(0.51)	-	-	(14.22)	(0.33)
Chiwale Estate Management Services Ltd	3.37	0.00	-	-	-	-	-	-
Kawalazi Estate Company Limited	10,699.44	14.12	1,213.65	43.18	-	-	1,213.65	28.20
Exchange differences in translating financial statement of foreign operations	-	-	-	-	1,469.88	98.42	1,469.88	34.15
<b>Total</b>	<b>75,765.62</b>	<b>100.00</b>	<b>2,810.36</b>	<b>100.00</b>	<b>1,493.46</b>	<b>100.00</b>	<b>4,303.82</b>	<b>100.00</b>

Name of the entity	2017-18							
	Net Assets		Share in Profit / (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated Net Profit / (Loss)	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income
<b>Parent Company</b>								
Dhunseri Tea & Industries Limited	54,568.53	75.65	823.39	28.39	841.11	(258.03)	1,664.50	64.66
<b>Subsidiary</b>								
<b>Foreign</b>								
Dhunseri Petrochem and Tea Pte Limited	(2,302.23)	(3.19)	453.02	15.62	-	-	453.02	17.60
Dhunseri Mauritius Pte Limited	-	-	-	-	-	-	-	-
Makandi Tea and Coffee Estates Limited	9,371.76	12.99	852.82	29.40	-	-	852.82	33.12
AM Henderson & Sons Ltd	1,318.82	1.83	(111.09)	(3.83)	-	-	(111.09)	(4.32)
Chiwale Estate Management Services Ltd	0.96	0.00	-	-	-	-	-	-
Kawalazi Estate Company Limited	9,179.54	12.72	882.26	30.42	-	-	882.26	34.27
Exchange differences in translating financial statement of foreign operations	-	-	-	-	(1,167.09)	358.03	(1,167.09)	(45.33)
<b>Total</b>	<b>72,137.38</b>	<b>100.00</b>	<b>2,900.40</b>	<b>100.00</b>	<b>(325.98)</b>	<b>100.00</b>	<b>2,574.42</b>	<b>100.00</b>

Note - Since there is no non-controlling interest in the subsidiary companies, hence the disclosures relating to non-controlling interests are not applicable.

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

Partner  
Membership No. 058507

Place : Kolkata  
Date : May 24, 2019

R. Mahadevan  
Company Secretary

For and on behalf of the Board of Directors  
C. K. Dhanuka  
Managing Director  
(DIN - 00005684)

Bharat Bajoria  
Director  
(DIN - 00109241)  
Vikash Jain  
Chief Financial Officer  
P. C. Dhandhanias  
Chief Executive Officer

## FORM AOC-1

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

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

(Amount in ₹ lakhs)

Name of the Subsidiary Company	Reporting Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	%of Shareholding	Country
1 DHUNSERI PETROCHEM & TEA PTE.LTD	Year Ended 31.12.2018	USD	69.7923	8,370.88	3,190.68	15,753.77	4,192.21	15,354.31	-	925.54	13.95	911.58	-	100	Singapore
2 DHUNSERI MAURITIUS PTE LIMITED	Year Ended 31.12.2018	USD	69.7923	0.001	(12.39)	2.30	14.69	-	-	(12.39)	-	(12.39)	-	100	Mauritius
3 MAKANDI TEA AND COFFEE ESTATES LTD	Year Ended 31.12.2018	MALAWI KWACHA	0.0957	13.27	17,425.91	27,431.03	9,991.85	1,018.81	8,156.29	1,467.84	519.64	948.20	-	100	Malawi
4 KAWALAZI ESTATE COMPANY LIMITED	Year Ended 31.12.2018	MALAWI KWACHA	0.0957	32.53	15,754.20	23,084.46	7,297.74	-	7,069.44	961.31	298.74	662.57	-	100	Malawi
5 A M HENDERSON & SONS LIMITED	Year Ended 31.12.2018	MALAWI KWACHA	0.0957	0.20	1,433.23	1,435.32	1.88	-	-	(8.19)	(1.00)	(9.19)	-	100	Malawi
6 CHIWALE ESTATE MANAGEMENT SERVICES LIMITED	Year Ended 31.12.2018	MALAWI KWACHA	0.0957	0.96	-	3.37	2.41	-	-	-	-	-	-	100	Malawi

## DHUNSERI TEA & INDUSTRIES LTD.

CIN: L15500WB1997PLC085661

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

Ph.No.+91 33 2280 1950 (5 Lines), E-mail : mail@dhunseritea.com; Website : www.dhunseritea.com

### Notice

NOTICE is hereby given that the 22nd Annual General Meeting (AGM) of the Members of DHUNSERI TEA & INDUSTRIES LIMITED will be held on Tuesday the 13th day of August, 2019 at 3.00 p.m. at 'Kala Kunj', Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata 700017 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2019 and the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend of Rs.5.00 per equity share for the financial year ended 31st March, 2019.
3. To appoint a director in place of Mr. Mrigank Dhanuka (DIN 00005666) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors' of the Company to hold office from the conclusion of this AGM until the conclusion of the 27th AGM of the Company to be held in the year 2024 and to fix their remuneration 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 139 of the Companies Act, 2013 and the Rules made thereunder M/s. S. R. Batliboi & Co. LLP Chartered Accountants, (ICAI Firm Registration No.301003E/E300005) be and are hereby appointed as the auditors of the Company, in place of the retiring auditors, for a period of five (5) years, from the conclusion of this AGM until the conclusion of the twenty-seventh AGM of the Company to be held in the year 2024 and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined in consultation with the auditors."

#### SPECIAL BUSINESS :

5. Reappointment of Mr. Chandra Kumar Dhanuka (DIN: 00005684) as Managing Director and in this regard, to consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:  
"RESOLVED that pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the reappointment of Mr. Chandra Kumar Dhanuka (DIN: 00005684) as Managing Director of the Company, for a period of 5 (five) years with effect from 9th September, 2019, on the terms and conditions including remuneration as contained in the agreement being entered into between the Company and Mr. Chandra Kumar Dhanuka, and also set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Chandra Kumar Dhanuka, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED further that in case of no profits or inadequacy of profits in any financial year minimum remuneration as specified in the aforesaid agreement shall be paid to Mr. Chandra Kumar Dhanuka.

RESOLVED further that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Reappointment of Mr. Bharat Bajoria (DIN: 00109241) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:  
"RESOLVED that pursuant to the provisions of Sections 149 (10), 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder read with Schedule IV to the Act, Mr. Bharat Bajoria (DIN 00109241), who was appointed as an Independent Director for a consecutive period of five years w.e.f. 8th September, 2014 and who holds office up to 7th September, 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby reappointed as an Independent Director of the Company for a second term of five consecutive years w.e.f. 8th September, 2019, not liable to retire by rotation."

## Notice (Contd.)

7. Reappointment of Ms.Nandini Khaitan (DIN:06941351) as an Independent Director and in this regard, to consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149 (10), 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder read with Schedule IV to the Act, Ms. Nandini Khaitan (DIN 06941351), who was appointed as an Independent Director for a consecutive period of five years w.e.f. 9th September, 2014 and who holds office up to 8th September, 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby reappointed as an Independent Director of the Company for a second term of five consecutive years w.e.f. 9th September, 2019, not liable to retire by rotation.”

8. To ratify the remuneration of the Cost Auditor for the financial year ending 31st March, 2020 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, 2020, amounting to ₹ 1.50 lac (Rupees One lac and fifty thousand only) as also the payment of applicable taxes and reimbursement 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

1st July, 2019

R. MAHADEVAN

Company Secretary

### Notes :

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the 22nd 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 Wednesday, the 7th August, 2019 till Tuesday, the 13th August, 2019 (both days inclusive).
4. The Dividend for the financial year ended 31st March, 2019, as recommended by the Board, if approved at the AGM, will be paid on or after Monday, the 19th August, 2019 to those Members whose name appears in the Register of Members of the Company as on Tuesday, the 13th August, 2019.
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, 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001.
7. The details of the directors seeking re-appointment under Item Nos.3, 5, 6 and 7 respectively of this Notice is annexed hereto.

## Notice (Contd.)

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 their 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 to them 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 Tuesday, the 6th August, 2019 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), Practicing Company Secretary, at the Registered Office of the Company, not later than Monday, the 12th August, 2019. 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 Friday, the 9th August, 2019 and will end at 5.00 p.m. on Monday, the 12th August, 2019. 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), Practicing 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:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below :

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

**Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical : Your User ID is:**

- a) For Members who hold shares in demat account with NSDL. 8 Character DP ID followed by 8 Digit Client ID  
For example, if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*
- b) For Members who hold shares in demat account with CDSL. 16 Digit Beneficiary ID  
For example, if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*



## Notice (Contd.)

- c) For Members holding shares in Physical Form. EVEN Number followed by Folio Number registered with the Company  
For example, if EVEN is 101456 and folio number is 001\*\*\* then user ID is 101456001\*\*\*
5. Your password details are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox.  
Open the email and open the attachment i.e. a .pdf file.  
The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

### Details on Step 2 is mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting.  
Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of the Company, for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for Shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [ghanuka419@yahoo.co.in](mailto:ghanuka419@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

## Notice (Contd.)

### Other Instructions

- i. The e-voting period commences on Friday, 9th August, 2019 (9.00 a.m) and ends on Monday, 12th August, 2019 (5.00 p.m.). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, 6th August, 2019, i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
  - ii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through poll paper.
  - iii. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
  - iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
  - v. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.dhunseritea.com](http://www.dhunseritea.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, 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 if any, 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 statement(s) containing the names, last known addresses and the unpaid and unclaimed dividends as on 31st March, 2019 of each person in respect of the years 2014-15, 2015-16, 2016-17 and 2017-18 are available on the Company's website [www.dhunseritea.com](http://www.dhunseritea.com)
  14. Members are requested to contact either the Company Secretary or M/s. Maheshwari Datamatics Private Limited for encashing their unclaimed dividends, if any, for the years 2014-15, 2015-16, 2016-17 and 2017-18.
  15. Members are requested to note that as per Section 124(5) of the Companies Act, 2013, dividends not encashed /claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF) established under Section 125(1) of the Companies Act, 2013. Further, all shares in respect of which (dividend has not been paid or claimed for seven consecutive years or more) shall be transferred by the Company in the name of IEPF as required by Section 124(6) of the Companies Act, 2013.
  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 the Company Secretary 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.

## Notice (Contd.)

### Details of director seeking re-appointment at this Annual General Meeting

[Information pursuant to Regulations 36(3) & 26(4) of SEBI (LODR) Regulations, 2015]

#### Item 3

Name of Director	MRIGANK DHANUKA (DIN: 00005666)	Membership/ Chairmanship of Committees in other companies	<b>Dhunseri Ventures Limited</b> - Investment Committee: Member - Share Transfer Committee: Member
Date of Birth	12.08.1980		<b>Dhunseri Investments Limited</b> - Share Transfer Committee: Member
Date of Appointment	01.02.2014		- Nomination & Remuneration Committee: Member
Expertise in specific Functional areas	Mr. Mrigank Dhanuka is on the board of several other associate companies. He had initial training with the group companies including NBFC companies. He has gathered considerable experience in all areas of business particularly in Tea (which includes Tasting, Grading and Blending of Tea) and Petrochemical Industry as well as administration of business in general.		- Investment Committee: Member - Risk Management Committee: Member <b>Naga Dhunseri Group Limited</b> - Stakeholders' Relationship Committee: Member - Share Transfer Committee: Member
Qualifications	B.Com (Hons) Graduate from University of Calcutta Industrial & Operations Engineering from University of Michigan, USA.	Shareholdings in the Company	23,184
Directorship held in other Companies	Dhunseri Ventures Ltd. : Vice Chairman Tastetaria Foods Private Limited Twelve Cupcakes Pte Ltd. Dhunseri Investments Limited Naga Dhunseri Group Limited : Mg. Director Mint Investments Limited Dhunseri Infrastructure Ltd. Trimplex Investments Limited Madhuting Tea Private Limited Jatayu Estate Private Limited Makandi Tea & Coffee Estates Ltd. Kawalazi Estate Company Ltd.		

## Notice (Contd.)

### Item 5

Name of Director	CHANDRA KUMAR DHANUKA DIN: 00005684	Membership/ Chairmanship of Committees in Other companies	<b>Dhunseri Ventures Limited</b> <ul style="list-style-type: none"> <li>- Investment Committee: Chairman</li> <li>- Share Transfer Committee: Chairman</li> <li>- Audit Committee: Member</li> <li>- Stakeholders' Relationship Committee: Member</li> <li>- Nomination &amp; Remuneration Committee: Member</li> <li>- Corporate Social Responsibility Committee: Member</li> </ul> <b>Dhunseri Investments Limited</b> <ul style="list-style-type: none"> <li>- Share Transfer Committee : Chairman</li> <li>- Investment Committee : Member</li> <li>- Risk Management Committee : Member</li> <li>- Nomination &amp; Remuneration Committee : Member</li> <li>- Stakeholders' Relationship Committee : Member</li> <li>- Corporate Social Responsibility Committee : Member</li> </ul> <b>Naga Dhunseri Group Limited</b> <ul style="list-style-type: none"> <li>- Risk Management Committee: Chairman</li> <li>- Share Transfer Committee: Chairman</li> <li>- Audit Committee: Member</li> <li>- Corporate Social Responsibility Committee: Member</li> </ul> <b>Mint Investments Limited</b> <ul style="list-style-type: none"> <li>- Risk management Committee: Chairman</li> <li>- Audit Committee: Member</li> </ul> <b>CESC Limited</b> <ul style="list-style-type: none"> <li>- Audit Committee: Chairman</li> <li>- Nomination &amp; Remuneration Committee: Chairman</li> <li>- Corporate Social Responsibility Committee: Member</li> </ul> <b>Emami Limited</b> <ul style="list-style-type: none"> <li>- Stakeholders' Relationship Committee: Chairman</li> <li>- Audit Committee: Member</li> <li>- Nomination &amp; Remuneration Committee: Member</li> </ul>
Date of Birth	19.01.1954		
Date of Appointment	01.02.2014		
Expertise in specific Functional areas	Industrialist Entrepreneur having varied experience of over 38 years in tea production as well as tasting, grading and blending. Successfully set up a Petrochemicals Unit under foreign technical collaboration. Presently on the board of several companies including Executive Chairman of Dhunseri Ventures Limited. He was also i) Ex Vice-Chairman - Tea Board ; ii) Ex Chairman - Indian Tea Association - Tea Association of India. - FICCI, Eastern Regional Council iii) Ex Executive Committee Member- FICCI, Delhi. iv) Ex President - All India Organisation of Employers.		
Qualifications	B.Com	Shareholdings in the Company	9,104
Directorship held in other Companies	Dhunseri Ventures Limited - Executive Chairman Naga Dhunseri Group Limited - Chairman Mint Investments limited - Chairman Trimplex Investments Limited - Chairman Jatayu Estate Private Limited - Chairman ABC Tea Workers Welfare Services - Director Madhuting Tea Private Limited - Chairman IVL Dhunseri Polyester Company SAE - Chairman Dhunseri Investments Limited - Chairman CESC Limited - Independent Director Makandi Tea & Coffee Estates Limited - Chairman Kawalazi Estate Company Limited - Chairman Dhunseri Infrastructure Limited - Chairman IVL Dhunseri Petrochem Industries Private Limited - Chairman Emami Limited - Independent Director		

## Notice (Contd.)

### Item 6

Name of Director	BHARAT BAJORIA DIN: 00109241	Directorship held in other Companies	Teesta Valley Tea Co. Limited : Managing Director The Bormah Jan Tea Co.(1936) Limited: Managing Director Teesta Valley Exports Limited : Director Banarhat Investment Co. Private Limited : Director Birdie Trading Private Limited : Director Speedways International Private Limited : Director McLeod & Co. Limited : Director Trishul Co. Private Limited : Director The Budge Budge Investment Co. Private Limited: Director
Date of Birth	12.03.1953		
Date of Appointment	08.09. 2014		
Expertise in specific Functional areas	Managing Director of Teesta Valley Tea Co Ltd and The Bormah Jan Tea Co. (1936) Ltd. He is also on the Board of several other companies. Ex-Chairman of Indian Tea Association and Consultative Committee of Plantation Association. Presently he is the Chairman of Darjeeling Planters Association and Special Committee for Generic Tea Promotion in India. He is also a member of the Indian Chamber of Commerce.	Membership/ Chairmanship of Committees in other companies	Nil
Qualifications	B.Sc (Hons) graduate	Shareholdings in the Company	Nil

### Item 7

Name of Director	NANDINI KHAITAN DIN: 06941351	Directorship held in other Companies	GMMCO Limited : Director International Conveyors Limited: Independent Director Jacks Home Products Limited : Director Williamson Financial Services Limited: Independent Director XPRO India Limited: Independent Director
Date of Birth	15.02.1980		
Date of Appointment	09.09.2014		
Expertise in specific Functional areas	Specializing in litigation and dispute resolution with over 10 years of experience and having vast experience in representing clients in various forums, in particular the Supreme Court of India, the Bombay High Court and the Calcutta High Court and also qualified to practice in the State of New York. Partner: Khaitan & Co ; Khaitan & Co LLP.	Membership/ Chairmanship of Committees in other companies	Nil
Qualifications	LLM from Columbia Law School, New York.	Shareholdings in the Company	Nil

## Notice (Contd.)

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

#### Item No.5

As recommended by the Nomination & Remuneration Committee, the Board of Directors at their meeting held on 24th May, 2019 reappointed Mr. Chandra Kumar Dhanuka as the Managing Director of the Company for a period of five years commencing from 9th September, 2019, subject to approval of the Members at the ensuing 22nd Annual General Meeting of the Company. The remuneration payable to Mr. Chandra Kumar Dhanuka is as per the agreement being entered into between the Company and Mr. Chandra Kumar Dhanuka and is within the limits prescribed in Schedule V of the Companies Act, 2013 as given below:

#### i) Salary :

₹ 1,50,000/- (Rupees one lac and fifty thousand only) per month in the grade of ₹ 1,50,000 – 7,500 – 1,80,000.

#### ii) Perquisites :

In addition to salary, the Managing Director shall be entitled to the following perquisites :

#### (a) Housing: Rent Free Furnished Accommodation or in lieu thereof House Rent Allowance at 50% of the salary.

Where accommodation is provided by the Company, the Expenditure on Gas, Electricity, Water, Furnishings and other Utilities to be borne/reimbursed by the Company shall be evaluated as per the provisions of the Income Tax Act, 1961 and in the absence of any such provision, the perquisites shall be evaluated at actual cost.

#### (b) Medical Reimbursement: The reimbursement of actual medical expenses incurred for self and family of the Managing Director.

#### (c) Leave Travel Concession: For self and family once in a year.

#### (d) Club Fees : Fees of clubs subject to a maximum of two clubs.

#### (e) Credit Cards : Entry and renewal fees to be reimbursed/ paid by company. All expenses for official purposes to be reimbursed/ paid by the Company at actuals.

#### (f) Leave : As per Rules of the Company applicable to Senior Executives.

#### (g) Personal Accident Insurance : Premium not to exceed ₹ 20,000/- per annum.

#### (h) Car : Facility of Company Car with driver.

#### iii) Telephone : The Company shall provide and maintain a telephone at the residence and shall also provide all mobile phone facilities. Personal long distance calls will be treated as perquisites.

#### iv) Commission : Such amount of commission based on the net profits of the Company in a particular year, subject to a maximum of 2.50 % of the net profits of the company.

#### v) Other Benefits :

In addition to the above perquisites, the managing Director shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration specified above :

#### (a) Provident Fund : Company's Contribution towards Provident Fund at the rate of 12% of the salary or such rate prescribed as per Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

#### (b) Superannuation Fund : Company's contribution subject to a maximum of 15% of the salary for every completed year of service.

#### (c) Gratuity : As per the Payment of Gratuity Act, 1972.

#### (d) Leave Encashment : At the end of the tenure.

#### vi) Minimum Remuneration:

The Managing Director shall be entitled to a minimum remuneration by way of salary and perquisites as specified above in the event of loss or inadequacy of profits in any year.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Chandra Kumar Dhanuka and Mr. Mrigank Dhanuka is concerned or interested in this resolution.

The Board recommends the Special Resolution set out as a Special Business at Item No.5 of the Notice of the ensuing 22nd AGM for approval by the Members of the Company as required by the provisos contained in Schedule V of the Act {PART I (c) and PART II Section II(A)}.

The Agreement referred above in respect to the Resolution at Item No.5 of the accompanying Notice will be open for inspection by the Members at the Registered Office of the Company between hours of 10.00 a.m. and 12.00 noon on any working day except on holidays.

A brief profile of Mr. Chandra Kumar Dhanuka is included as an annexure to this Notice as per Regulations 36(3) & 26(4) of SEBI (LODR) Regulations, 2015.



## Notice (Contd.)

### Item Nos. 6 & 7

Mr. Bharat Bajoria and Ms. Nandini Khaitan were appointed as Independent Directors for a term of five years each with effect from 8th September, 2014 and 9th September, 2014 at the 17th and 18th Annual General Meetings of the Company held on 8th September, 2014 and 14th August, 2015 respectively. Their respective tenures as an Independent Director of the Company will cease on completion of five years i.e 7th September, 2019 and 8th September, 2019 respectively.

As recommended by the Nomination and Remuneration Committee and on the basis of their performance evaluation, it is proposed to consider the reappointment of Mr. Bharat Bajoria and Ms. Nandini Khaitan as Independent Directors of the Company for a second term of five consecutive years each w.e.f. 8th September, 2019 and 9th September, 2019 respectively pursuant to the provisions of Sections 149(10), 152 and other applicable provisions and the Rules made thereunder read with Schedule IV to the Companies Act, 2013.

The Company has received from Mr. Bharat Bajoria and Ms. Nandini Khaitan (i) their respective consents in Form DIR-2 (ii) an intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The approval is sought from the members for the appointment of Mr. Bharat Bajoria and Ms. Nandini Khaitan as independent directors of the Company for a second term of five consecutive years each w.e.f. 8th September, 2019 and 9th September, 2019 respectively at the ensuing 22nd AGM pursuant to Section 149 and other applicable provisions of the Companies Act, 2013. They shall not be liable to retire by rotation.

Based on their performance evaluation as well as in the opinion of the Board of Directors, Mr. Bharat Bajoria and Ms. Nandini Khaitan who are proposed to be reappointed as Independent Directors for a second term of five consecutive years each as aforesaid fulfil the conditions specified in the Act and Rules made thereunder and they are independent of the Management.

The Board considers their continued association as independent directors would be of immense benefit to the Company and it is desirable to avail their services as Independent Directors.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Bharat Bajoria and Ms. Nandini Khaitan to whom the respective resolutions relate, is concerned or interested in their respective resolutions.

The Board recommends the Special Resolutions set out as a Special Business at Item Nos. 6 & 7 of the Notice of the ensuing 22nd AGM for approval by the Members of the Company.

The brief profiles of Mr. Bharat Bajoria and Ms. Nandini Khaitan are included as an annexure to this Notice as per Regulations 36(3) & 26(4) of SEBI (LODR) Regulations, 2015.

### Item No. 8

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, 2020. 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 for the year 2019-20.

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

The Board recommends the Ordinary Resolution set out as a Special Business at Item No.8 of the Notice of the ensuing 22nd AGM for approval by the Members of the Company.

By Order of the Board  
For DHUNSERI TEA & INDUSTRIES LIMITED

Kolkata  
1st July, 2019

R. MAHADEVAN  
Company Secretary

## CORPORATE INFORMATION

### Board of Directors

C. K. Dhanuka  
*Chairman & Managing Director*

M. Dhanuka  
*Executive Director*

R. K. Sharma

B. Bajoria

N. Khaitan

V. Goenka

A. K. Dutta

### Chief Executive Officer

P. C. Dhandhanian

### Chief Financial Officer

Vikash Jain

### Company Secretary & Compliance Officer

R. Mahadevan

### Statutory Auditor

Lovelock & Lewes  
*Chartered Accountants*

### Bankers

State Bank of India

Bank of Baroda

Punjab National Bank

United Bank of India

Development Credit Bank

ICICI Bank

HDFC Bank

Indusind Bank

Axis Bank

### Registered Office

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

### Tea Estates

**Bahadur Tea Estate**  
P.O. Tinsukia, Assam, Pin: 786125

**Bahipookri Tea Estate**  
P.O. Mazbat, Assam, Pin: 784507

**Bettybari Tea Estate**  
P.O. Mazbat, Assam, Pin: 784507

**Dhunseri Tea Estate**  
P.O. Mazbat, Assam, Pin: 784507

**Dilli Tea Estate**  
P.O. Parbatpur, Assam, Pin: 786623

**Hatijan Tea Estate**  
P.O. Hoogrijan, Assam, Pin: 786601

**Khagorijan Tea Estate**  
P.O. Sepekhati, Assam, Pin: 786592

**Khetojan Tea Estate**  
P.O. Tinsukia, Assam, Pin: 786125

**Orang Tea Estate**  
P.O. Mazbat, Assam, Pin: 784507

**Santi Tea Estate**  
P.O. Hoogrijan, Assam, Pin: 786601

### Tea Packaging Factory

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

### Subsidiary Companies

**Dhunseri Petrochem & Tea Pte Ltd.**  
#27-00 Republic Plaza,  
Singapore 048619

**Kawalazi Estate Co. Ltd.**  
Thunga Estate Makandi, Thyolo Road,  
Malawi

**Makandi Tea & Coffee Estates Ltd.**  
Thunga Estate Makandi, Thyolo Road,  
Malawi

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

**Chiwale Estate Management Services Ltd.**  
Thunga Estate Makandi, Thyolo Road,  
Malawi

**Dhunseri Mauritius Pte Ltd.**  
IFC Court, Bank Street, Twenty Eight  
Cybercity, Ebene72201, Mauritius

### Registrars and Share Transfer Agents

**Maheshwari Datamatics Pvt. Limited**  
23, R N Mukherjee Road, 5th Floor  
Kolkata-700001  
Phone: 91-33-2243-5029  
91-33-2248-2248  
Fax: 91-33-2248 4787  
Email: mdpldc@yahoo.com  
CIN: U20221WB1982PTC034886

