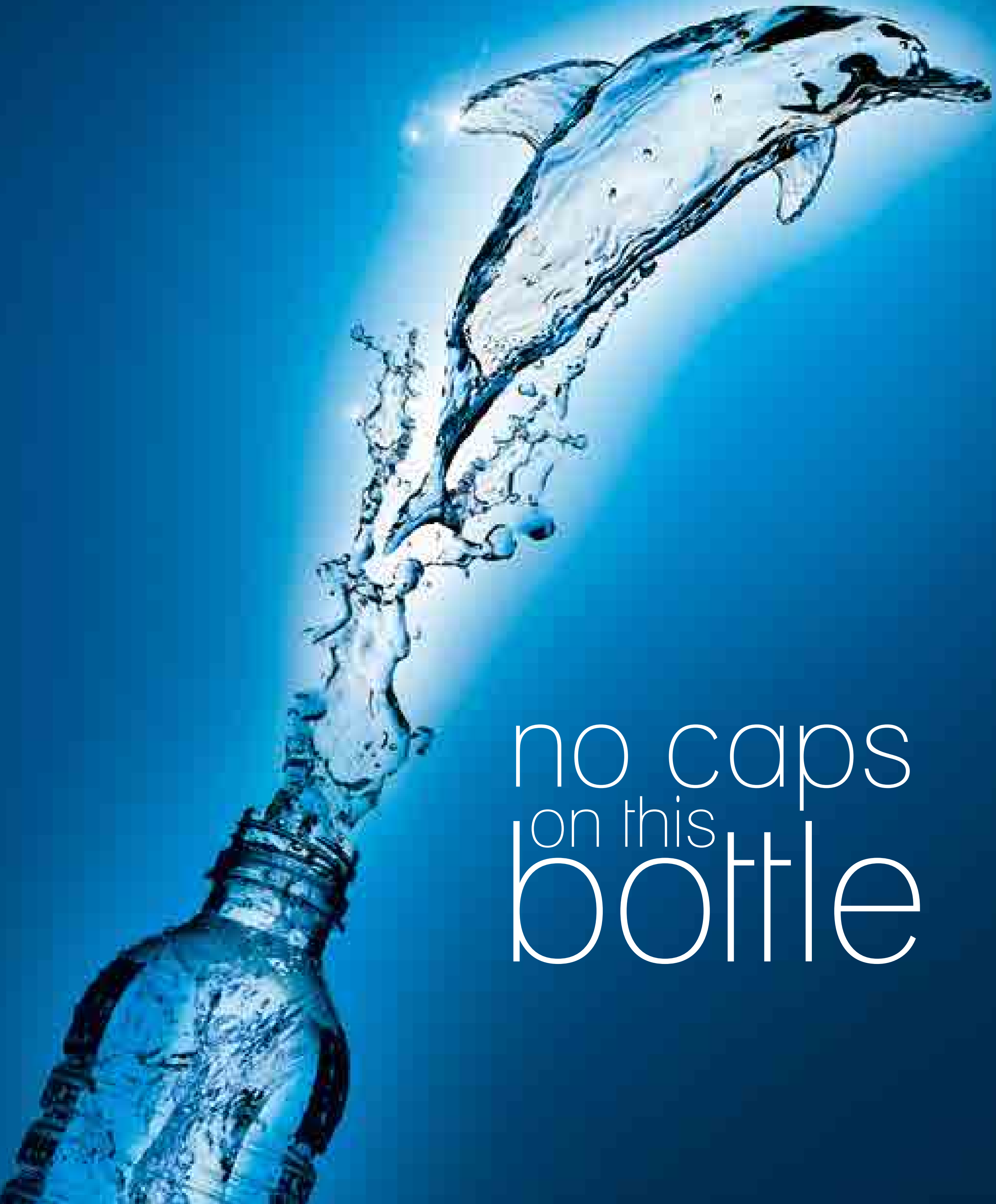
Dhunseri Petrochem & Tea Limited

Annual Report, 2012-13



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contents

Note: Wherever we have referred to the global operations (including that of subsidiaries) in the document we have used 'Dhunseri group' and for Company operations (standalone) we have used 'the Company'.

Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

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

the challenge.

The ongoing challenge for a company like Dhunseri Petrochem & Tea is to enhance organisational value, slowdown or not.

In 2012-13, the Company did so by widening its revenue engines, leading to the prospect of sustainable growth.

The Company doubled its Haldia PET resin capacity in 2012-13, readied for the commissioning of its Egypt capacity through its subsidiaries and completed the acquisition of two Malawi tea plantations (that doubled its consolidated tea output in one stroke).

As a result, Dhunseri Group expects to quadruple its PET resin capacity by 2014-15 over the base year of 2011-12.

Who we are

Headquartered in Kolkata, India, Dhunseri Petrochem & Tea Limited, a part of the ₹ 2,500 crores Dhunseri Group, has become the largest PET resin manufacturer in India following the capacity expansion in Haldia. The Company is headed by Mr. C.K. Dhanuka (Executive Chairman), ably assisted by Mr. M. Dhanuka (Vice-chairman & MD) and a professional management team. The promoter's holding in the Company was 67.18% as on 31st March 2013.

Company's Vision & Mission

Global eminence through quality leadership. Dhunseri Petrochem & Tea Limited is in business to ensure a lasting commitment to the following objectives:

- Raise the bar in line with the best global practices
- Create customer confidence
- Enhance shareholder value

Business model

Dhunseri Petrochem & Tea Ltd is one cohesive entity involved in multiple businesses. Its steady business of tea is complemented by a growing demand for PET resin with IT infrastructure development as a stepping stone for the future. The strategy of the Company comprises the following:

- Creating an all-pervasive presence across the stretch of the global PET value chain
- Augmenting tea production in its estates after the acquisition of the Malawi estates
- Enhancing the branded/packet tea segment to ensure a significant value-addition for the tea business and ensuring consistent growth in the years to come
- Augmenting the value for shareholders through efficient and transparent business practices, via strategic decision-making

Locations

- Dhunseri Petrochem & Tea Ltd is headquartered in Kolkata (West Bengal).
- The Company has two PET resin plants in Haldia (port town of West Bengal). Another manufacturing facility is coming up at Ain El Sokhna, a deep-sea port on the Red Sea in Egypt through its subsidiary namely Egyptian Indian Polyester Company S.A.E. (EIPET).
- The tea estates of Dhunseri Group are located in Assam (India) and Malawi (Africa). The Company has ten tea estates with nine tea factories in Assam and its subsidiaries have two tea estates with two tea factories in Malawi.
- The Company's tea packaging and blending units are located in Dhunseri Tea Estate (Assam) and at Jaipur (Rajasthan).
- The commercial IT Park of the Company is located at Bantala in the South-eastern part of Kolkata.

Footprint

Petrochem

The Company enjoys a marketing presence covering around 500 PET-consuming customers in around 50 countries. The Company's products are available in the ASPET brand in North America, the European Union, the Middle East, Eastern Europe and Africa. To help deal with its international operations better, the Company established a branch office in Dubai Multi Commodities Centre Authority under the name of Dhunseri Petrochem & Tea Limited (DMCC branch).

Tea

The Company enjoys a strong presence within the Indian tea market through its brands LAL GHORA and KALA GHORA. To boost its international presence Dhunseri Group has acquired two tea estates in Malawi in South Eastern Africa.

Technologies

Dhunseri has invested in cutting-edge technology to manufacture quality products and achieve high manufacturing efficiency through energy conservation and environmentally safe processes accredited with the relevant quality standards.

- Established a plant with world-class German technology.
- Dhunseri modernises its tea factories by replacing old machines with new higher output machines and continuously replacing old tea bushes with high yielding and superior clones

Certifications

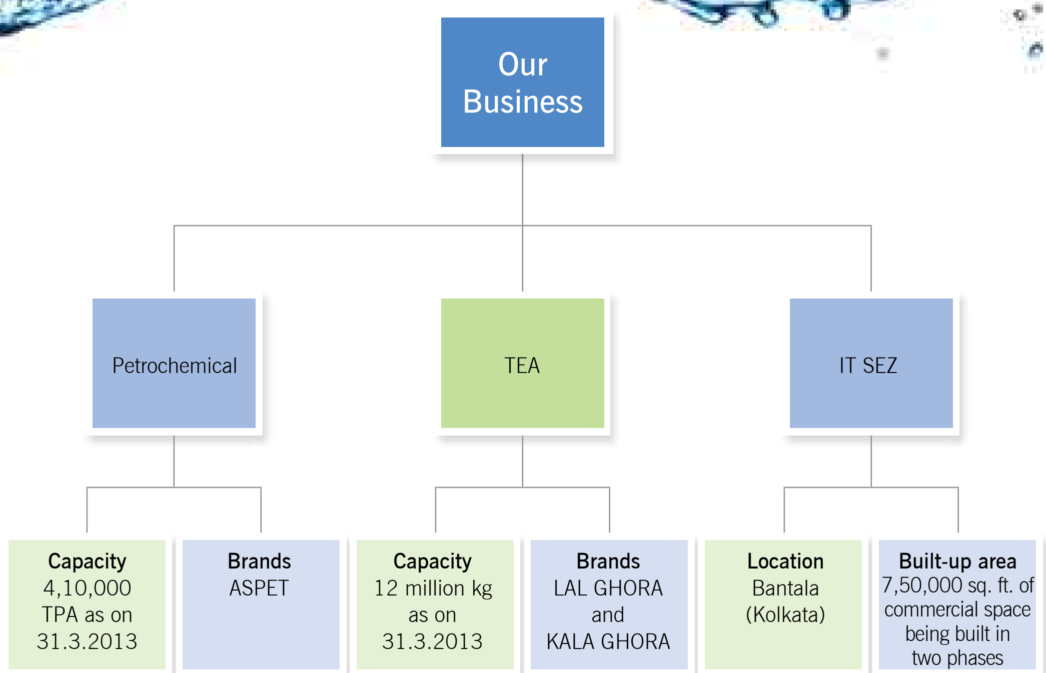
PET resin

Quality certifications from USFDA, EC, ITRC, Food and the health regulatory bodies of Japan and Canada.

ISO 9001: 2008 (quality), ISO 14001:2004 (environment protection) and BS OHSAS 18001:2007 (health and safety), SA 8000:2008 (social accountability) - certified for Plant I.

Tea

ISO 22000:2005 (food-safety) – certified for eight gardens with factories.



From the Chairman's desk

If there is one big idea that I want to share with our shareholders, it is this.

Over the last two years, in what was one of the most challenging periods during our existence and of the capital markets, we embarked on the bold initiative of creating a robust growth engine without altering our equity structure.

We expect to quadruple our capacity over the base year of 2011-12 and expect the revenues to be around ₹ 8,000 crores during 2014-15. What makes this story of aggressive growth credible is that we possess a rich experience in these businesses, a wide and deep distribution pipeline that facilitates the marketing of the incremental production, and we have grown vertically without depending on any one single business.

Best of all, we have created this springboard from which are ready to take the next big leap by investing our accruals and mobilising funds whenever required. As a result, we expect to see a significant increase in value for all our stakeholders starting 2013-14 but set to be more clearly visible in 2014-15.

The fact that we have achieved so during one of the most challenging economic scenarios over the last century serves as an index of the prudent business decisions we have taken, the operational discipline maintained and the sheer hard work put in by each employee across the organisational chain.

Growing our business

Our initiatives and performance in the last financial year served as a signpost in our journey to create a significantly larger company.

Petrochemicals: The year 2012-13 was challenging on account of the global economic slowdown, which translated into the slowest Indian GDP growth in a decade. The offtake in India's PET industry was correspondingly affected by an increase in raw material costs, weak international realisations, excess of supply over demand and volatile currency movements. The result was that global PET resin demand growth moderated to around 4-5% and in India to around 10%.

In this competitive environment, the Company doubled its Haldia PET resin capacity. The commissioning of the Egyptian project was delayed but it was only because of our consistent effort and deep project management insight that we turned this disadvantage around in our favour. The plant was commissioned in November 2012 and operated at full capacity utilisation in the Q4 of the FY 2012-13, indicating a short learning curve and quicker payback. This plant is expected to operate at full capacity utilisation and add positively to the bottomline from Year One.

At Dhunseri, we are attractively placed in this business for some valid reasons: even before we expanded our Haldia capacity, we were among the few producers of PET resin in the world enjoying competitive conversion cost benefits. Following the expansion, we bring to this low cost structure the magic of scale, which we feel will make it possible for us to emerge more competitive and carve out larger shares of the global market over the foreseeable future. This is no wishful thinking; during the last financial year, we commissioned a Dubai marketing branch office to focus on reaching untapped markets (the US, Africa, the Middle East and Europe) faster so that we have a sales network in place timed with the commissioning of our Egyptian facility from Q3 of 2013-14 onwards.

Tea: Over the last few years, the tea industry was marked by an increase in consumption on the one hand and a finite availability of land for plantation on the other. The result was an increase in realisations that, in turn, translated into an increase in plantation value. As this transpired, the number of plantations available for sale reduced and it became increasingly challenging to acquire and grow one's presence in the tea industry. Even when opportunities presented themselves, acquisition costs remained prohibitive, affecting payback.

The Company countered this daunting scenario with the acquisition of two Malawi plantations (estimated annual out put of 9.5 million kg) through its subsidiaries during the year under review. The Company successfully concluded the deal in a competitive sectoral environment marked by an increase of buyers over sellers. The acquisition serves as a neat fit with the Company's existing operations and de-risked the concentration of our business in a single tea-growing area: its middling quality serves to complement the Company's existing presence in the premium Assam tea segment; the output addresses a large and growing appetite for blending material used in tea bags; the plantations are low cost and high-yielding; they have sizeable unused areas that can be developed and monetised in a phased manner.

At Dhunseri, we are attractively placed in this business. Here is how: we possess a rich domain knowledge drawn out of our Assam gardens that can be utilised across the Malawi estates and processing facilities, potentially increasing average Malawi realisations. Besides, the presence of Malawi will enhance our international presence, make us a part of a global plantation deal flow and enable cross-learning on yield and other plantation practices.

Outlook

The one point that I want to communicate to shareholders is that we expect our revenues to be around ₹ 8,000 crores in 2014-15 at current price levels.

I am pleased to state that despite having made extensive capital expenditure in the three years leading to 2013-14, we have been able to maintain adequate liquidity to grow our business without compromising our margins and viability.

At Dhunseri, we are aware that our market capitalisation represents only a fraction of our intrinsic value. Going ahead, we expect that the full impact of our Malawi acquisition and PET resin plant commissioning will translate into enhanced revenues and profits and in turn, into enhanced value in the hands of the shareholders of the Company.

C.K.Dhanuka,
Executive Chairman

Our growth trend over the years

Particulars	Capacity					
	2009-10		2012-13		2014-15	
	Indian operations	**Overseas subsidiary**	**Indian operations**	**Overseas subsidiary**	**Indian operations**	**Overseas subsidiary**
PET resin (MT)	2,00,000	Nil	4,10,000	4,20,000	4,10,000	4,20,000
Tea (million Kg)	11	Nil	12	10	12	10
Tea garden (hectares)	3335		5631		5731	

Our business model

DHUNSERI PETROCHEM & TEA LIMITED HAS INVESTED IN A BUSINESS MODEL WITH THE OBJECTIVE TO PROVIDE SUSTAINABLE REVENUE AND PROFIT GROWTH, ENHANCING VALUE FOR ITS STAKEHOLDERS.

Lifestyle

The Company has selected to invest in businesses linked to food grade packaging and tea. Its PET resin is used in the manufacture of PET bottles that are used to protect content (food and pharmaceutical) integrity. Besides, tea is being widely recognised as a health drink, catalysing consumption.

Geographic focus

Dhunseri Group has selected to position itself as a progressively global group – global in terms of assets and revenues. Dhunseri Group's plantation acreage increased from 3,428 hectares in 2011-12 to 5,631 hectares in 2012-13 following the acquisition of two Malawi estates and set off by the sale of Namsang Tea Estate; Dhunseri Group's global PET capacity is expected to increase from 4,10,000 TPA in 2012-13 to 8,30,000 TPA in 2013-14. Consequently, Dhunseri Group's revenues are expected to increase from around ₹ 2,000 crores. in 2011-12 to ₹ 4,000 crores. in 2013-14 and an estimated ₹ 8,000 crores. in 2014-15.

Large consumer base

The Company has selected to invest in businesses with a large base of consumers – tea is the largest non-carbonated beverage in the world while PET resin is used in the manufacture of PET bottles, a preferred packaging option progressively replacing the use of glass in bottling.

Multi-business

The Company is one cohesive entity involved in multiple businesses – PET resin manufacture, tea plantation and commercial space rentals (projected) – with the objective to smoothen adverse market-related impact.

Payback

The Company funds in businesses (PET resin expansion, plantation expansion and commercial space) enjoying prospects of attractive payback.

Enduring

The Company selected to invest in technologically-rich and enduring production assets for PET resin manufacture; it invested in plantations with tea bushes enjoying a productive lifespan extending to more than five decades.

Status and scale

The Company has selected to enter business spaces providing scope and space to emerge among the largest manufacturers in India. This scope is boosted by proactive investments in capacities, which provides downstream customers with the confidence that the Company would be able to supply adequate material to service their growing needs. In turn, this investment in capacity provides the Company with attractive economies-of-scale leading to competitive manufacturing capabilities.

Our more than five decade-old tea business finally went international.

FOR MORE THAN FIVE DECADES, DHUNSERI'S TEA BUSINESS WAS LARGELY AN INDIAN OPERATION. THE COMPANY PRODUCED TEA IN INDIA (ASSAM) AND MARKETED TEA DOMESTICALLY, A STRATEGY THAT WAS VINDICATED LARGELY IN THE LAST DECADE.

The Company consolidated its presence, merged Group gardens and grew its presence from eight estates in 2003-04 to 10 estates in 2012-13. The result is that the Company's tea revenues increased at a compounded annual growth rate of 11.16 per cent in the five years leading to 2012-13. In the process, the Company emerged among one of the country's top 10 tea producers.

During 2012-13, Dhunseri Group took its business model ahead via a decisive step. The Company acquired two tea companies owning two tea estates in Malawi (Africa) through its wholly-owned Singapore subsidiary (Dhunseri Petrochem & Tea Pte Ltd). This doubled Dhunseri Group's tea output in one stroke, widened the portfolio (from premium to middling varieties), provided the Company with an international presence and de-risked Dhunseri from an excessive dependence on a single geography.

This acquisition will enable Dhunseri Group's tea business to grow from ₹ 157 crores revenues (2011-12) prior to the acquisition to an estimated ₹ 250 crores by 2013-14 (first full year of acquisition), enhancing value for its shareholders.

Our 10-year-old PET resin business is on the verge of quadrupling

after sustained efforts since its inception.

FOR NEARLY 10 YEARS, DHUNSERI GREW ITS PET RESIN FROM AN INITIAL INSTALLED CAPACITY OF 1,40,000 TPA TO 2,00,000 TPA.

We attained a capacity increase to 4,10,000 TPA during the year under review after a decade-long effort put in by us .

The Company strengthened its cost-competitiveness and rich experience of the domestic and international markets with one of the most aggressive capacity expansions in our sector.

Dhunseri Group embarked on increasing its PET resin production capacity across two locations – one in India (Haldia) and the other in Africa (Egypt) – with the objective to service different markets and emerge as a truly global player.

During the financial year under review, the Company commissioned the first leg of its expansion (Haldia), which doubled its production capacity to 4,10,000 TPA in one stroke. Plant I operated at full capacity utilisation for the whole year while Plant II operated at its optimum capacity for the Q4 of FY 2012-13. This immediately strengthened the Company's quarterly revenues from ₹ 603.39 crores in the Q3 of 2012-13 to ₹ 852.38 crores in the fourth, providing investors with an indication of enhanced revenue visibility for the full 2013-14.

At Dhunseri, this is only the beginning. During the course of 2013-14, the Company expects to replicate all the PET resin capacity commissioned in its existence until that point (in excess of 4 lac TPA) through a single facility in Egypt, one of the largest PET resin plants in the world.

The result is that a cost-competitive player like Dhunseri will now emerge as one of the fastest growing players as well, translating into enhanced revenues, margins and profits.

Corporate strengths

Scale

The Company has become the largest PET resin manufacturer in India following the capacity expansion in Haldia. As of now, it is among the top10 tea producers in India. Its growth is attributed to a number of proactive steps taken by the company. In 1996, the Group had promoted South Asian Petrochem Limited (SAPL) to set up a petrochemical greenfield venture. In 2009-10, the Company acquired the PET resin business of its subsidiary, SAPL. After the commissioning of the Egyptian capacity, it is expected to become one of the leading global PET resin manufacturers.

Quality

The Company epitomises quality in all its prime segments. Customers trust and rely on the products of this Company because of its impeccable quality standards, which meets the best national and international benchmarks. The ISO 9001:2008 certification in PET Plant I of the Company has ensured a substantial flow of revenues from longstanding customers. In the tea sector, the company has produced the best teas by being a progressive, quality-focused Indian tea producer for over five decades with an advantageous location of its estates in the quality belt. The Tea Division's research and development is engaged with TRA and effectively enhances its yield and quality.

Financial

The Company's prudent financial management makes it possible for it to remain afloat in tough times. The Company posted a comfortable debt-equity ratio of 0.51, despite the recent international tea garden acquisition. The Company enjoyed a healthy cash balance and a robust interest cover in FY 2012-13, indicating the Company's ability in servicing debt was satisfactory.

Economies-of-scale

The Company optimised labour utilisation with the commencement of operations of the Plant II at Haldia. Also, it has taken steps towards reducing energy costs with the upcoming 10 MW coal based power plant in Haldia. As for tea, once new plantations come into bearing, the increasing yield per hectare at the gardens will help in reducing cost. All of this has been possible for a simple reason – the Company operates at a high capacity utilisation, which rationalises the overheads.

Experience

The Company boasts of more than a decade/five decade presence in the PET/Tea industries respectively. With the presence of an efficient management unit, the Company is all set to post higher revenues.

Good governance

An effective and regularly reviewed corporate governance system ensures that the Company is complying with all the established governance norms.

Locational advantage

The Company's PET resin business enjoys locational benefits like proximity to raw materials (PTA from Haldia plant of Mitsubishi Chemicals-MCPI), highways, railways, ports, among others.
The Company's tea estates are located in the quality tea-producing region of Assam.These teas are known for their body, briskness, malty flavour, strong and bright colour. This ensures that the quality of tea sold by the Company is benchmarked with that of the best in the industry.

Global presence

The Company's global presence can be summed up as exponential. In the PET resin sector it is present across around 50 countries. Dhunseri Group's key markets include Europe and America, where sales are made presently from India and in future from Egypt also. It is even setting up a greenfield plant in Egypt with a capacity of 420,000 TPA. Dhunseri Group also acquired two tea estates in the Malawi region of Africa to boost its global presence.

Varied product basket

Dhunseri is adequately cushioned from the volatility in the global market place through its presence across multiple segments -- petrochemicals, tea and commercial space rentals (projected).

Business segment review

Our strategy

- Achieving global scale in PET production and marketing
- Enhancing the tea production and the business growth
- Boosting the branded/packet tea sale

PET business

- Increase capacity to 8,30,000 TPA in 2013-14 following the commissioning of the Egypt plant.
- Enhance efficiency to improve margins
- Stay close to the consumers
- Stabilise the expanded plant operations
- Focus on exports

Tea

- Enhanced its presence in the global market through the acquisition of two companies in Malawi owning two tea estates
- Focus on premium tea
- Increase in tea footprint from 5631 hectares in 2012-13 to 5831 hectares by 2015-16
- Infilling/replanting/extension planting of 30 lac saplings each year
- Enhance efficiency

IT SEZ

- Completed the civil construction of Phase I. Ready for MEP and other exterior works, which will begin depending on the market scenario.
- Completed the piling work for Phase II.

Business segment I

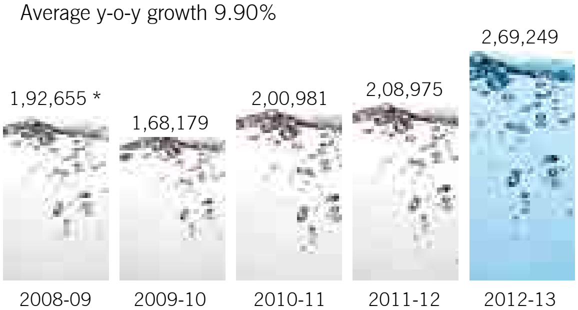
Petrochemicals

Business snapshot of the Petrochemicals segment

Segment	Operational capacity/ built-up area	Products and brands	Capacity expansion	Growth drivers
Petrochemicals	4,10,000 TPA PET resin manufacturing capacity in Haldia, West Bengal.	PET resins for bottle/sheet/ jar grade applications, marketed under the ASPET brand	210,000 TPA brownfield expansion in Haldia commissioned. 420,000 TPA greenfield expansion in Egypt through subsidiary EIPET is expected to start from the Q3 FY 2013-14.	• Convenience in the use of PET bottles for packaging. • Global PET resin demand is expected to grow at 7.8% on a Y-O-Y basis. (Source: SBA-CCI, May review, 2013)

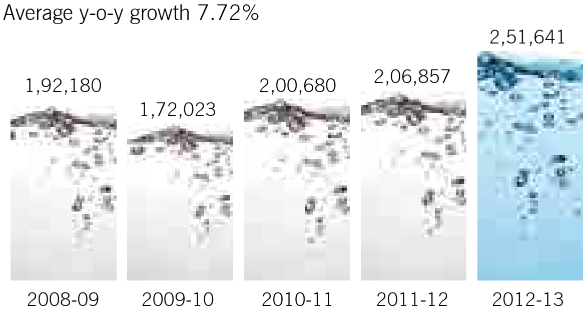
PET resin production (in MT)

Average y-o-y growth 9.90%



PET resin sale (in MT)

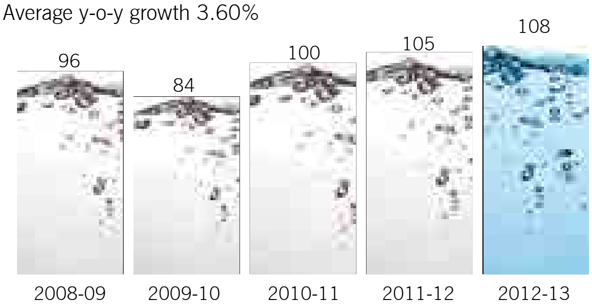
Average y-o-y growth 7.72%



* production in erstwhile South Asian Petrochem Ltd. (since merged with the Company)

PET Plant Capacity utilisation (in %)

Average y-o-y growth 3.60%



Overview

PET (polyethylene terephthalate) rules the packaging industry due to its distinct properties. It is lightweight, strong, non-reactive, economical and retains freshness. The Indian packaging industry, though variable as per the consumer demands and current trends, is witnessing a double digit growth. As far as sector-wise growth is concerned, flexible packaging and PET packaging have all registered commendable growth. The domestic sales volume of the Company accounted for 55 per cent of the total PET sales while the rest was exported to around 50 countries.

Competitive strengths

- **Scale:** Following the expansion in Haldia, the company's PET capacity of 4,10,000 TPA, is the largest in India.
- **Proximity:** The Company's presence near the Haldia port facilitated international sales as well as the sourcing of raw material from MCPI located within seven kms distance.
- **Power:** The Company sourced low cost energy from its 8-MW captive coal power plant, soon to be supplemented by another coal-based captive power plant (10 MW) to be commissioned by the Q3 FY 2013-14. These plants will suffice for the power requirements of expanded capacity.
- **Availability:** The Company marketed its products across around 50 countries.

Talking points of 2012-13

Financial

- The market was mostly unfavourable on account of the rising prices of raw materials and a volatile foreign exchange scenario; yet, the Company increased PET resin sales by 23 % from ₹ 1,786 crores in 2011-12 to ₹ 2,192 crores in 2012-13.

Operational

- The Company commenced production in Plant II of the Haldia plant. The Egyptian plant is expected to commence production by Q3, FY 2013-14.
- Plant I of the Haldia plant reported a capacity utilisation of more than 100%; Plant II achieved 100% capacity utilisation from the first month of operations.
- Accelerated the construction of a 10 MW coal-based captive power plant in Haldia.
- Optimised human resources to run both plants.

Marketing

- PET resin sales increased from 2,06,857 tonnes in 2011-12 to 2,51,641 tonnes in 2012-13; domestic sales marginally decreased from 1,39,673 tonnes in 2011-12 to 1,38,553 tonnes in 2012-13 due to market sluggishness.
- Started a Dubai marketing branch office to cater to the European and American markets; carved out a greater market share in Bangladesh, Sri Lanka and Nepal.
- Rationalised logistics costs by increasing packaging sizes.
- Widened international presence from 40 countries to around 50.

Outlook

- Dhunseri Group intends to commence production in its Egyptian plant, shrink outward logistics gestation, increase efficiency and achieve competitive manufacturing costs.
- The Company intends to commission its 10 MW coal-based power plant in the Q3 of FY2013-14.

The Egypt plant

Dhunseri Group is in the process of commissioning a 4,20,000 TPA PET resin plant at Ain–El-Sokhna (a deep sea port in the Red Sea) in Egypt through the subsidiary Egyptian Indian Polyester Company S.A.E (EIPET), enjoying a private free-zone status from the Egyptian Government. The plant is expected to commence production by Q3 FY 2013-14.

Competitive advantages

- As a result of the free-zone status, the Egypt plant is all set to receive duty-waiver benefits on the import of capital goods and raw materials as well as the export of finished goods.
- The plant received approvals and clearances from the Egyptian Government and port authorities.
- The Middle East are emerging as dominant MEG producers, providing the Egypt plant with low-cost access to raw materials.
- This plant will provide Dhunseri Group with a global visibility (among the top-10 global players) and enhanced scale.

The Company invested to infuse state-of-the-art German technology for this plant.

PET advantages

- PET resin production process is more environment-friendly than aluminum and glass manufacture.
- PET bottles are light, transparent, convenient and recyclable.
- Glossy finish, making products aesthetically attractive.

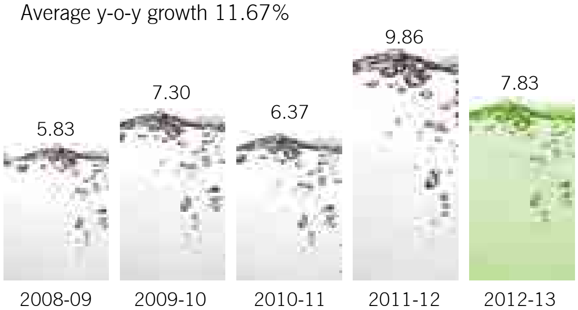
Business segment II

Business snapshot of the Tea segment

Segment	Operational capacity/ built-up area	Products and brands	Capacity expansion	Growth drivers
Tea	10 tea estates in Assam and two in Malawi (Africa), production capacity of 22 million kg	Packet tea marketed under the LAL GHORA and KALA GHORA brands in Rajasthan (India).	The Company has achieved its plan of doubling its capacity of FY 2009-10 to 22 million kg in FY 2012-13.	• Increasing tea popularity among the health-conscious youth. • India's tea consumption is expected to grow 2-3% in the coming years.

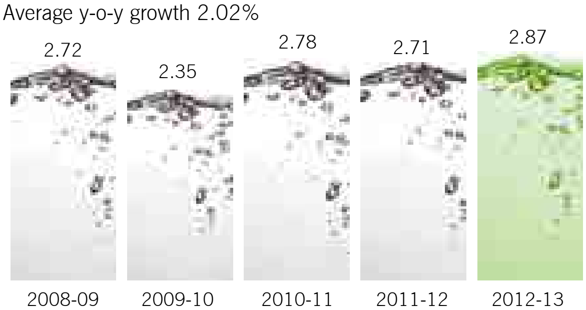
CTC tea production (in million kg)

Average y-o-y growth 11.67%



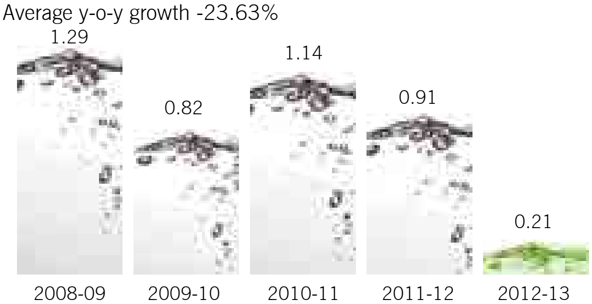
Packet tea production (in million kg)

Average y-o-y growth 2.02%



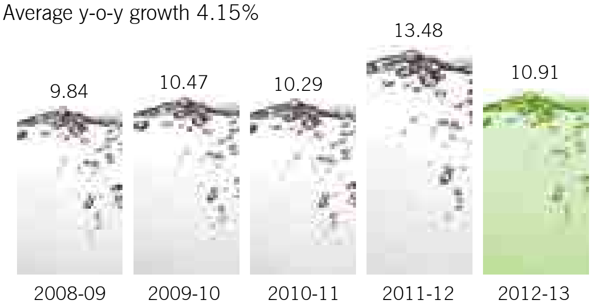
Orthodox tea production (in million kg)

Average y-o-y growth -23.63%



Total tea production (in million kg)

Average y-o-y growth 4.15%



Overview

The Company has a five decade-long presence to vouch for its dominance in the Indian tea industry. Dhunseri's international presence was strengthened by the acquisition of two tea estates in Malawi through its wholly-owned subsidiary during the year under review. Eight of nine of the Company's gardens (with factories) are ISO 22000:2005-certified from DNV Business Assurance for food safety systems. As of now, the Company produces approximately 1% of the overall tea produced in India (it has all ten estates in Assam).

With 10 tea estates, the Company is one of the 10 largest tea producers in India. It has six gardens located in the Upper Assam region (South Bank) and four gardens in the Lower Assam region (North Bank). A producer of CTC / Orthodox tea (marketed in India through auctions and sold in packets under the LAL GHORA and KALA GHORA brands); the Company continues to maintain leadership in the Rajasthan packet tea market.

Talking points of 2012-13

Financial

- The Company's net sales of tea increased by 2.80 per cent from ₹ 157.21 crores in 2011-12 to ₹ 161.61 crores.

Operational

- Dhunseri Group's production increased from 13.48 million kg to 20.36 million kg in 2012-13 following the acquisition of two tea estates in Malawi, set off by the production loss due to the sale of bought leaf factories and one tea estate, stabilised production at Hatijan Tea Estate; inspite of climatic changes effecting tea growing area of Assam.

- Factory at Hatijan Tea Estate (annual capacity of 1.5 million kg) commissioned and made operational from the Q1 FY 2012-13. Acquired two tea companies (Makandi Tea & Coffee Estates Ltd and Kawalazi Estate Company Ltd) owning two tea estates in Malawi through its wholly-owned Singapore subsidiary (Dhunseri Petrochem & Tea Pte Ltd), effective end-August 2012 and during the year under review, the Company sold Namsang Tea Estate and three bought leaf factories to partially finance the above acquisition.

- Modernised Indian tea estates and factories through equipment installation (Santoor), humidification plants in the fermentation room and a monorail conveyer system to carry withered leaves.

- Commissioned irrigation and adopted improved cultivation practices to counter soil infertility; tiling of fermenting floors helped eradicate adverse bacterial impact.

- The Company's average realisation per kg was ₹ 153.36 in 2012-13 whereas the average realisation in Assam was ₹ 137.93 per kg.

Marketing

- A strong marketing presence has helped the Company to maintain their number #1 position in packet tea sales segment in the Rajasthan region through their brands LAL GHORA and KALA GHORA. Packet tea sales accounted for 33.81 percent of total sales, an increase of 4.57% from 2011-12.

- To boost up the company's brand visibility, the company invested ₹ 121.61 lacs towards their advertising expenses. Hema Malini continuous to be the brand ambassador for packet tea brands – LAL GHORA and KALA GHORA.

- The Company will be launching tea in 1 kg packets in Rajasthan (brand BAHIPOOKRI) to bring revenue out of those new market segments which represents formidable growth in the years to come.

Strengths

- **Scale of production:** Dhunseri Group's tea production increased by 51.04 per cent. In this fiscal, average yield is expected to increase mainly on account of the Malawi acquisition.

- **Productivity:** Plant automation is expected to enhance labour productivity. Average plucker productivity was around 26.15 kg compared to the industry average of around 24.5 kg. Factory productivity at 55.19 kg was also higher compared to the industry average of 40.2 kg.

- **Yield:** Average yield was 2,027 kg in 2012-13. However, the continuous uprooting of old tea areas to the extent of 2% per annum and replanting with better yielding quality clones will increase yields in five years.

- **Irrigation:** The Company invested in best-in-class irrigation facilities at its gardens to counter drought.

- **Technology:** The Company undertook technological upgradation and the installation of new technologies (vibratory fluidised bed dryers, enclosed withering troughs, modern humidification plants and monorail conveyer systems).

- **Research and development:** The Company utilised the latest R&D initiatives taken by TRA and sent its advisory officers to visit all its gardens to advice on quality and yield improvement.

Outlook

Dhunseri Group expects to strengthen the working of its tea business through the following initiatives: 30 lac plants to be put in the field every year getting the most of the cultivable lands under our control, launch tea in 1 kg packets in Rajasthan (brand BAHIPOOKRI) to cater to the increasing demand for the product in this geography, commence production at the Hatijan tea factory, mechanization in Malawi estates, increase macadamia proportion, emphasise planting the clonal tea variety (on account of high yields and realisations), tap international markets from its Malawi estates and increase the sales of packet tea in FY 2013-14.

The Malawi acquisition

During 2012-13, the Company acquired two companies in Malawi owning two tea estates for a consolidated $ 22 million through its subsidiary in Singapore namely, Dhunseri Petrochem & Tea Pte Ltd.; this marked the extension of a five-decade Indian tea company to international plantations.

The two companies acquired were Makandi Tea & Coffee Estates Limited and Kawalazi Estate Company Limited. The 9.5 million kg production from these acquired gardens helped double Dhunseri Group's tea output in a single stroke. The Malawi gardens, produce tea of a middling quality much preferred by tea bag manufacturers across the globe, which is a fast growing global tea segment. Besides, the Malawi acquisition widened the Company's offerings across the premium and middling segments and created a consistent international presence with a widening geographic footprint. Dhunseri Group expects to increase Malawi tea revenues from $ 13.5 million in CY 2012 by around 15-20% in CY 2013.

In addition to tea estates, the Malawi acquisition would also provide Dhunseri Group with an opportunity to enhance revenue in FY 2013-14 due to macadamia nut production. Macadamia trees are a genus of four species of trees constituting a part of the plant family Proteaceae. From the Malawi estates, Dhunseri Group expects a total production of 3.2 lac kg of macadamia.

Business segment III

Business snapshot of the IT SEZ segment

Segment	Operational capacity/ built-up area	Products and brands	Capacity expansion	Growth drivers
IT SEZ	750,000 sq. ft. of commercial space in Bantala (Kolkata). Phase-I is under completion; Phase-II work is yet to start.	Dhunseri IT Park	Soil piling has been done for Phase II; planning in the final stage.	• Kolkata is a popular IT destination in India. • There are nine notified IT/ITeS SEZs in West Bengal. • The growing domestic IT/ITeS industry is expected to generate employment opportunities, likely to boost office space demand.

Name	Dhunseri IT Park
Location	Bantala, south-east Kolkata
Built-up area	750,000 sq ft
Phases	Two (twin towers)
Phase I	3,70,000 sq ft
Phase II	3,80,000 sq ft

Overview

The Company is engaged in the development of an IT complex at Bantala (outskirts of Kolkata). The SEZ status of the Bantala property provides an attractive opportunity for IT & ITES companies. The IT Park offers developed commercial office space.

Major IT companies evinced interest in the Kolkata IT Park SEZ being developed at Bantala as a result of which companies like Cognizant commenced operations in the region with an employee base of 4,000. Many infrastructure developers like Forum Projects and the Infinity Group booked spaces within the facility on account of the optimism related to this part of the city.

Talking points of 2012-13

- Completed the construction of all the floors of the Phase-I tower, ready for Mechanical, Electrical & Plumbing (MEP) and other exterior works, which will begin depending on the market scenario.
- Commenced the construction of Phase-II tower; piling completed.
- Collaborated with the government for the overall development of the region through road widening, increasing security and enhancing road connectivity.
- The Company expects to generate rentals of ₹ 30-35 per square foot, attractive rates when compared with other IT parks.

Kolkata, a preferable IT destination

- Around 500 IT and ITeS companies operate within West Bengal.
- One of the lowest cost metropolitan cities in India
- High literacy rate (around 77%) promises adequate talent.

Management discussion and analysis

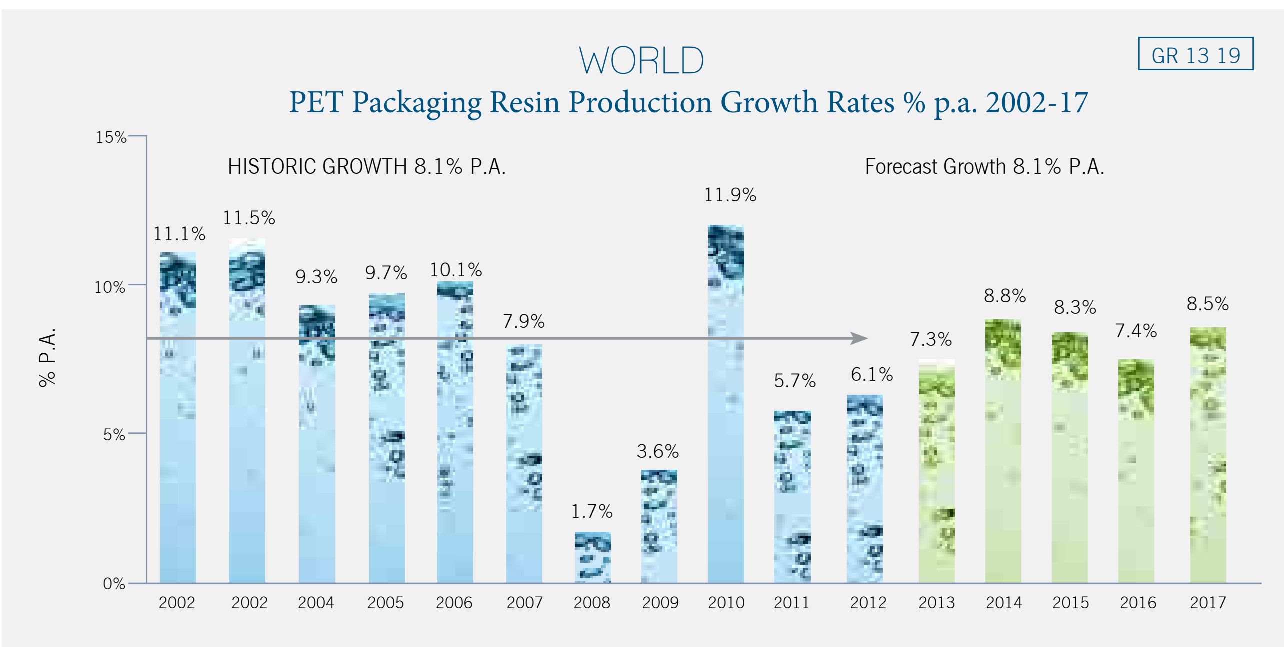
Petrochem division

PET (Polyethylene Terephthalate) is a polyester resin widely used for packaging foods and beverages, especially in convenience-sized soft drinks, juices and mineral water bottles. Due to its varied applications, PET is preferred to other packaging materials like aluminum, glass, paper, etc, leading to a significant rise in the consumption of PET.

PET has become the world's preferred packaging material due to its unique properties of eco-friendly attribute & 100% recyclability. The other significant properties of PET are rigidity and transparency, hygiene, strength, lightness, durability, inertness, cost-effectiveness, attractiveness and freshness-retention capability among others. As a result, the global PET resin demand is expected to grow at 7.8% on a Y-O-Y basis (Source: SBA-CCI, May review 2013), driven by a growth in population, urbanisation, disposable incomes, FMCG sector and newer applications (beverages and pharmaceuticals).

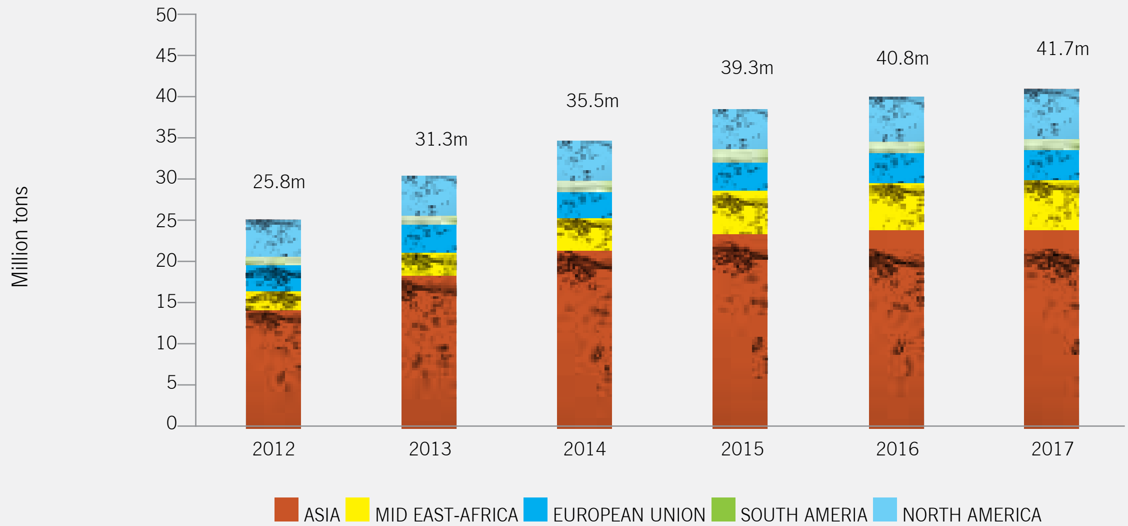
Global PET resin industry

In 2012, the Asia-Pacific PET market accounted for about 29.4% of the global PET packaging consumption, while North America and Western Europe accounted for about 24.1% and 19.7% of the consumption, respectively. At 35.9%, the Asia-Pacific region showed the highest PET demand and by 2020, GBI expects China to emerge as the global PET market leader followed by the fast growing markets of Brazil, Russia and India.



Source: SBA-CCI report

WORLD
PET Packaging Resin Nameplate Capacity 2002-17



Source: SBA-CCI report

Global demand

The global PET market is expected to grow at 6.3% per annum, driven by a demand in emerging and transitional economies *(Source: PCI PET Packaging).* Growth in the global PET resin market is being fuelled by the rapid growth coming out of the Asia-Pacific market. PET resin finds applications in the manufacture of bottles for carbonated soft drinks, food, bottled water, beer and other sectors. While growth in the CSD and bottled water sectors might not see spectacular jump, food and beer segments will grow in double-digits over the next few years. PET resin also scores over other plastics due to easy recyclability. Wider applications and penetration are expected to plug the excess supply for the product over prevailing demand.

World PET resin demand, 2013

	Total Demand	Increase on 2012		Proportion of World Total (%)
	000 Metric Tonnes	000 Metric Tonnes	%	
North America	4,066	73	1.8	21.4
South America	1,599	125	8.5	8.4
Middle East/Africa	2,256	188	9.1	11.9
West Europe	2,990	41	1.4	15.7
East Europe	1,123	70	6.6	5.9
Asia Pacific	6,982	623	9.8	36.7
Total	19,016	1120	6.3	100.0

(Source: PCI PET Packaging)

Indian PET resin industry

The Indian packaging industry (valued at about $ 24.6 billion) is expected to grow at a CAGR of 12.3% from 2012 to 2016 – higher than the global average by a factor of more than 2x - on account of increased incomes, brand consumption and preference based around decisions of affordability, convenience and hygiene. India presently accounts for 2-3% of the global packaging market even as the country accounts for about 16 per cent of the global population. This divergence is expected to correct with speed as the country moves towards the increased consumption of packaged products.

Strong growth in end-user industries and a preference for PET as packaging material helped increase off take, which grew 30% CAGR during FY 07-12 within India. {*Source: Packaging Industry Association of India, 6wresearch India pet market (market reports)*}

Demand drivers

Population: India's population rose to 1.27 billion people over the 10 years ending 2012, growing annually at around 1.58 per cent. Every year, India adds more people than any other nation in the world (around 0.1 billion annually). The growing population is expected to drive the demand for PET in the coming years.

Youth: Almost 65% of Indians between 20-60 years are employed, this income segment holding aspirations for a better lifestyle, which translates into a growing demand for packaged and branded products (a majority of which use PET). Besides, an estimated 70 million individuals are likely to enter the workforce over the next five years, which augurs well for the consumption of such products.

Incomes: Average remuneration in India grew 11.9 % in 2012-13. The annual per capita income at current prices during 2012-13 was estimated at ₹ 68,747 compared to ₹ 61,564 during 2011-12, a rise of 11.7 per cent. This increase translated into an increase in disposable incomes and consumption.

Urbanisation: A Morgan Stanley study shows that India's urban population has grown by 2.8% annually over the last decade, making India the fastest urbanising country. Indian cities reported the highest growth among global urban clusters, with Delhi and Mumbai topping the list. Urbanization is directly correlated with the growth of the packaging industry.

Growing packaging sector: The US$ 24.6 billion strong Indian packaging sector is expected to grow at a CAGR of 12.3% from 2012 to 2016.

Quality packaging preference: The demand for quality and convenience-based products increased on the back of a growing middle-class, rising income levels and urbanisation, which in turn has influenced the aesthetic standards, easily facilitated by PET products.

Hygiene: PET packaging provides strength, moisture resistance, aroma retention, gloss, grease resistance, heat retention and low odor. This enhances reliability of food quality and hygiene.

Segment-wise and product wise performance

During the year under review, the Company's PET resin revenue increased 23 per cent to ₹ 2,192 crores. The Company's domestic sales grew 2 per cent to ₹ 1,243 crores., accounting for 57 per cent of the Company's PET resin revenue during the year under review. Exports grew 68 per cent to ₹ 949 crores, accounting for 43 per cent of the Company's total PET revenue in FY 2012-13. Domestic sales were higher than international sales on account of the increased demand from within India, efficient logistics and attractive margins.

Outlook

The Company undertook improvements in its existing Indian plant and commissioned its new facility (2,10,000 TPA in November 2012). Besides, Dhunseri Group proceeded with the commissioning of its Egyptian plant (4,20,000 TPA) in Q3 FY 2013-14. This plant will effectively service growing PET resin demand in Africa, the Middle East and Europe, leaving the Indian unit to cater primarily to the robust demand coming out from within Asia (including India) and some demand from Europe and the US.

The Company optimised resources and appointed representatives to market the product coming out of the expanded capacities. The outlook for this division is positive as the global PET resin industry is expected to grow at a compounded 7 percent in the next few years whereas Indian consumption is expected to grow considerably during the period *(Source: Crisil Research)*. The packaging industry in India, a major consumer of PET resins, is expected to grow at a CAGR of 12.3% and the revenue of the industry is expected to grow to around US$ 43.7 billion by 2016 *(Source: Chairman of Indian Institute of Packaging, Economic Times, January 2013).*

Tea division

Tea is one of the most popular lowest cost beverages in the world. The principal tea producers are China, India, Sri Lanka, Kenya and Indonesia, these five countries accounting for 77% of the world production and 80% of global exports. The global market for RTD (ready-to-drink) tea and coffee in terms of revenue is expected to reach US $125 billion by 2017 as against US $69 billion in 2011 (estimated) signaling an anticipated annual growth of 10.9 % from 2012 to 2017.

The global tea industry is largely dominated by India, the world's second largest producer and largest consumer. India offers a wide tea range (CTC, orthodox, green tea) compared with other tea exporting countries. The country's tea industry accounts for 30% of the world production, 25% of global consumption and provides employment to over 35 lakh workers across 1,500 tea estates. The branded market accounts for nearly 55% of the total market and is growing at a rate of about 20%. Meanwhile, the unbranded market is growing at 10% annually *[Source: Commodityonline.com].*

Production

All India production fell to 902.27 million kg during January-December 2012. The North-east Indian crop was hit the hardest as production declined by 12.31 million kg to 704.93 million kg over January-December 2012. Tea Board estimates show that production declined in almost all tea-producing countries, resulting in a global supply constraint *[Source: indianexpress.com].*

India's packet tea market is flourishing, marked by the presence of more than 300 brands, the prominent players being Hindustan Unilever, Tata Global Beverages, Duncan's, Eveready, Goodricke, GPI, Waghbakri, Girnar, Sapat, Dhunseri, Mohini, Society and Marvel. The teabag segment possessed significant potential estimated at around 7,000 tonnes per annum with consumption increasing at an annual growth rate of 20 per cent. It has been observed that the current Indian tea bag market is similar to some of the evolved markets like Russia in the mid-Nineties, which grew rapidly from nascence. As a result, the Indian tea bag market is expected to grow to 12,000 tonnes per annum by 2015.

Branded tea penetration in India

STATE	No of Household (in millions)	Branded Tea penetration per cent
Delhi	2.6	91
Ahmedabad	1.0	90
Bangalore	1.4	69
Chennai	1.4	72
Kolkata	2.9	20
Mumbai	3.7	72
Hyderabad	1.2	59
Pune	0.9	64

[Source: ibef.org]

Consumption

Tea consumption is increasing only at about 2% annually from 873 million kg in 2011-12 to 890 million kg in 2012-13. In the last decade, domestic consumption increased from 673 million kg to 890 million kg – a growth of 27.19 per cent.

Exports

Tea exports from India declined 20 percent to 81.85 million kg in the first six months of 2012 due to a drop in outbound shipments from Northern and Southern India. The country had shipped around 102.62 million kg of tea in April-September, in the last financial year. Shipments of the brew from Northern India declined by 10 percent to 47.64 million kg in April-September of 2012-13 fiscal from 53.21 million kg in the previous fiscal, while tea exports from Southern India fell by 31 percent to 34.21 million kg compared to 49.41 million kg during the same period.

Imports

India's tea imports stood at around 17.88 million kg (April to December) during 2012-13 as compared 16.94 million kg for the same period during 2011-12. India is the world's largest consumer of tea and imports tea leaves solely to re-export. A rise in imports indicates that re-exports were better than in the previous financial year.

Yield

India's tea yield per hectare remained stagnant: 1,663 kg, 1,800 kg and 1,863 kg in 2010-11, 2011-12 and 2012-13 respectively, whereas production was 966.73 million kg in 2010-11, 1095.46 million kg in 2011-12 and 1,135.07 million kg in 2012-13.

Tea industry demand drivers

Preference: India is the world's largest tea consumer, accounting for nearly 25% of the global tea production. Tea is a part of the country's cultural tradition. The Indian Government declared tea as the National Beverage from 17th April 2013.

Health benefits: Tea helps combat cardiac ailments, controls cholesterol, protects the skin, keeps cancer at bay, strengthens bones and teeth and contains no calories, fats or salt. The increasing awareness about health advantages associated with the intake of tea (especially organic and green) is a significant demand driver.

Affordability: Tea being a cheap and affordable beverage, nine out of 10 households drink tea regularly.

Exploring new/emerging markets: New tea variants (iced tea, flavored tea) have been able to address the youth segment.

Segment-wise or product-wise performance

Erratic weather conditions and major pest attacks affected the Company's performance in 2012-13. Overall tea production decreased from 13.48 million kg in 2011-12 to 10.91 million kg in 2012- 13 due to sale of bought leaf factories and one tea estate. Average tea realisation increased from 113.38 per kg to 153.36 per kg. The new factory at Hatijan tea estate (1.5 million kg capacity) commenced operations. The Company sold three bought leaf factories and Namsang Tea Estate during the year.

Outlook

The increasing health awareness associated with tea drinking and emergence of new variants represent significant demand drivers. With over 3.5 million people working in the industry and more than 90% of the Indian households drinking tea, India's tea industry is expected to generate $5.5 billion in sales by 2015. India's tea industry's turnover is likely to touch ₹ 33,000 crores by 2015, according to ASSOCHAM.

Risk and concerns

In any business, risks and opportunities are inseparable components. The Company's Directors and management keeps this in mind when taking decisions to ensure that stakeholders are not adversely affected. The Company's Risk Management Committee, comprising various departmental heads, meets regularly to identify processes which are exposed to risks, determines mitigation strategies to counter these risks and closely monitor their execution. These have been discussed in detail in the Risk Management section in this annual report.

Internal control system and their adequacy

The Company introduced internal control systems to ensure that all assets are safeguarded and protected against loss and that transactions are recorded and reported correctly. The internal control system is commensurate with the size and nature of the Company's business. The systems are regularly reviewed for effectiveness.

The Executive Chairman, Vice Chairman & Managing Director, Managing Director & CEO, Executive Director (Finance), Senior V. P. (COO-Tea division) and CFO of the Company oversee the internal control system. The Company ensures control through Oracle Applications.

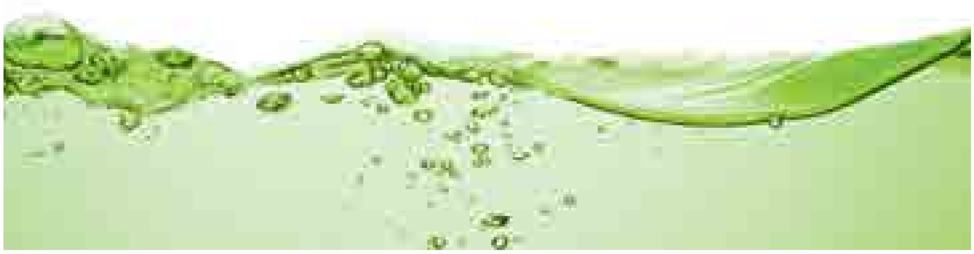
Discussion on financial performance with respect to operational performance

This has been covered in the Director's Report specifically under the section on financial results and performance. The financial review for the year has also been separately covered in this annual report.

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

The Company emphasises training and development for optimum results. The Company strives to maintain healthy industrial relations across its various locations and employees in both the petrochem and tea divisions. The actual number of persons employed by the Company as on 31st March 2013 was 5,610.

Financial review



Highlights, 2012-13

Revenue from operations increased by 22.13% from ₹ 1,979.45 crores in 2011-12 to ₹ 2,417.43 crores.	Net profit increased by 55.47% from ₹ 49.49 crores in 2011-12 to ₹ 76.94 crores.	EBIDTA increased by 36.77% from ₹ 133.25 crores in 2011-12 to ₹ 182.25 crores.	Interest coverage increased by 28.68% from 3.23 times in 2011-12 to 4.16 times.	Profit before tax (PBT) increased by 69.15% from ₹ 59.03 crores in 2011-12 to ₹ 99.85 crores.

Income

The revenue from operations registered a growth of 22.13% from ₹ 1,979.45 crores in 2011-12 to ₹ 2,417.43 crores in 2012-13 primarily on account of higher sales derived from increased production from Plant II at Haldia.

Other income increased by 41.19% from ₹ 25.08 crores in 2011-12 to ₹ 35.41 crores in 2012-13 on account of profit from the sale of one tea estate.

Expenses

Cost of raw materials: This increased by 31.76% from ₹ 1560.11 crores in 2011-12 to ₹ 2055.62 crores in 2012-13 largely driven by an increase in production due to the commencement of the Plant II.

Employee costs: This increased by 13.6% from ₹ 54.31 crores in 2011-12 to ₹ 61.7 crores in 2012-13.

Freight, delivery and shipping charges: This increased by 39.76% from ₹ 60.49 crores in 2011-12 to ₹ 84.54 crores in 2012-13 on account of higher sales.

Foreign exchange loss: The Company faced a loss of ₹ 45.24 crores in 2012-13 as against ₹ 33.54 crores in 2011-12 on account of increased raw material imports and outstanding current liability in foreign currency.

Finance costs: This increased by 6.29% from ₹ 41.22 crores in 2011-12 to ₹ 43.81 crores in 2012-13 on account of project loan for Plant II and additional working capital loan to support the increased operations out of additional production capacity.

Depreciation: This increased by 16.92% from ₹ 33.01 crores in 2011-12 to ₹ 38.59 crores in 2012-13 on account of the commissioning of the Plant II.

Resources

Reserves grew by 6.03% from ₹ 711.58 crores as on 31st March 2012 to ₹ 754.51 crores.	Return on capital employed declined 97 bps from 9.36% in 2011-12 to 8.39% as Plant II started operations only during the second half of the year only.

Capital employed: The capital employed in the Company increased by 52.6% from ₹ 1422.90 crores as on 31st March 2012 to ₹ 2171.36 crores (excluding the capital employed amounting to ₹ 117.59 crores for capital work in progress) as on 31st March 2013 due to an increase in reserves and debt capital consisting of project loan for Plant II and additional working capital loan.

Net worth: The net worth of the Company increased by 5.75% from ₹ 746.62 crores as on 31st March 2012 to ₹ 789.54 crores as on 31st March 2013 on account of profit generated during the year.

Long-term borrowings: The Company's long-term borrowings increased by 14.24% from ₹ 350.28 crores as on 31st March 2012 to ₹ 400.15 crores as on 31st March 2013 primarily on account expansion project at Haldia. The debt-equity ratio of the Company as on 31st March 2013 was at 0.51.

Gross block: The gross block of the Company increased by 41.03% from ₹ 827.08 crores as on 31st March 2012 to ₹ 1166.39 crores as on 31st March 2013. This increase in gross block was due to capital expenditure on Plant II and general upkeep of Plant I.

Environment, Health and Safety

Over the last fiscal, the Company made significant investments across the environment, health and safety management fronts. Consequently, emissions were reduced and clean effluent discharge ensured. Plant I of Petrochem Division of the Company was bestowed globally-benchmarked certifications like SA 8000:2008 from TUV NORD for upholding workers' rights, improving workplace conditions and enhancing management systems. This was in addition to the ISO 9001, ISO 14001 and OHSAS 18001 certifications already in place for Plant-I at Haldia.

Environment

At Dhunseri, environment management has always been of paramount importance as the Company made considerable efforts in maintaining the highest environmental and safety standards. The Company invested in cutting-edge automation from Germany to achieve high standards compliant with the environmental norms laid down internationally.

The following initiatives were undertaken by the Company:

- Dedicated environmental cells for the petrochem and tea divisions were created to review related activities, report shortcomings and undertake various steps towards further augmenting efficiencies in this regard.
- Workplace noise levels (dB) were constantly monitored to ensure that they stay within the permissible limits in petrochem and tea divisions.
- A keen eye is kept on the effluent and water discharge to keep their respective levels well below the established guidelines at the Haldia plant
- Rooftop extractors and modified control circuit were installed for ventilation fans at Haldia plant
- Low-sulphur coal was to minimise SOx emission levels at the Haldia plant.
- Best-in-class air pollution control devices such as ESP, bag filter, wet scrubber among others were installed to control emissions at the Haldia plant.
- Stack emission monitoring devices and online Ambient Air Quality Monitoring Station (AAQMS) were installed in the Haldia plant.
- Steam stripping of effluents was done to reduce effluent load in the Haldia plant.
- Treated water was reused for various purposes like gardening, dust suppression, road cleaning among others in the Haldia plant.
- Afforestation measures were carried around the factory enhancing the foliage cover and minimising the adverse effects of pollution preventing soil-erosion and dust formation in the Haldia plant.
- The levels for flue gas, ambient air and ambient noise were monitored regulary and made sure that they were maintained within the prescribed standards in the Haldia plant.
- Hazardous waste was regularly disposed through CHE-TSDF in the Haldia plant.
- The Company invested proactively towards such conservational measures like rainwater harvesting and afforestation drive in the tea division.
- The bio-medical waste generated from the tea garden hospital was disposed suitably.
- Free primary education was provided to the children of the tea garden workers.

These initiatives helped improved efficiencies when it came to water and energy consumption on the one hand and minimised the emissions of hazardous gases and waste on the other.

Health

The Company took concrete steps in maintaining and improving the health and well-being of employees. The work zones in the petrochem and tea divisions were adequately illuminated and ventilated. Additionally they were continuously monitored to keep occupational hazards at bay.

Petrochem division

- A fully-equipped occupational health centre manned by a qualified doctor was established to keep a watchful eye on employee health and well-being.
- Free medical check-up camps were held round the year for all employees.
- Occupational health surveillances programmes were undertaken on a regular basis for all employees.
- Ambulance service van for emergencies, available 24x7.

- Training was provided to administer first-aid to injured employees.

Tea division

- A malarial outbreak was prevented by spray prophylactics in the labour lines.
- Camps were organised by the Health Department of Assam to screen garden workers and provide treatment for malaria.
- Medical camps were organised with the help of doctors specialising in tropical medicine to immunise people as a preventive measure against such diseases.
- Water filtration plants were provided/ maintained to filter potable water supply for iron.

Safety

Dhunseri is committed to ensure employee safety through the following initiatives:

Petrochem:

- Safety audits were undertaken mediated by the internal team and external agencies
- Regular safety rounds and safety meetings were carried out to improve day-to-day safety.
- Breathing apparatus and personal protective equipment were periodically inspected to ensure their proper usage at the workplace.
- A fire handling system was developed at the Haldia plant by:
  - Installing a 16,000 m^3 water reservoir,
  - Procuring two additional fire tenders,
  - Installing sprinklers in the raw material warehouse,
  - Installing manual call points and electronics hooters at strategic locations,
  - Periodic inspection of fire fighting equipments and appliances.
- Hazards identification and risk assessment measures continue to be carried out.
- A comprehensive Hazards Management Plan (HMP) has been undertaken.
- A stringent work permit system was maintained.
- Monitoring of HAZOP was done in Plant I and implementation in Plant II is in progress.
- Mock safety drills were conducted periodically in the petrochem and tea divisions.

Corporate Social Responsibility

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

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

- Promoted education by building schools and colleges and provided assistance for their maintenance
- Empowered the girl child through education and other initiatives
- Improved healthcare by distributing free medicines, setting up dispensaries and providing assistance to charitable hospitals
- Focused on community development through donations

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

During the year, the Foundation undertook initiatives to provide primary education to 326 children, graduation courses to 629 girls and medical treatment to 54,318 patients.

DDF is building a new hostel in Kolkata to accommodate 400 girls with a built-up area of 70,000 sq. ft. Building plans were sanctioned by Kolkata Municipal Corporation and the construction work is expected to be completed by FY 2015-16.

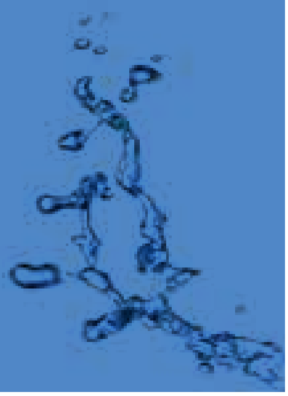
In 2012-13, the Company contributed ₹ 1 crore towards CSR activities.

Risk management

1

Industry risk

A slowdown in the economy or select sectors (petrochem or tea) could adversely affect revenues.



Risk mitigation

Petrochem

- India's PET industry growth is expected to witness a double digit growth.
- The global PET resin demand is expected to grow at 7.8% on a Y-O-Y basis (Source: SBA-CCI, May review 2013).
- The country's packaging industry ($ 24.6 bn), the primary consumer of PET in India, is expected to grow at a compounded annual growth rate of 12.3 percent over the next five years, far ahead of the average growth rate in the other global markets.

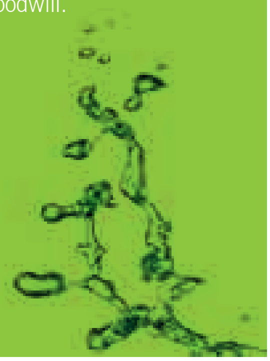
Tea

- The rising population of the country and the growing preference of tea are likely to boost domestic consumption.
- India consumes about 25% of the total tea production in the world and over 75-80% of its own production. India's tea consumption increased from 856 million kg in 2011 to 873 million kg in 2012 and to 890 million kg in 2013.

2

Quality risk

The inability to produce quality products may lead to poor realisations and depreciate the brand goodwill.



Risk mitigation

Petrochem

- Robust German technology enables the Company to manufacture quality products for demanding clients.
- Regular technological up-gradation and maintenance helped deliver consistent product quality.
- Critical raw materials (PTA and MEG) were sourced from quality vendors.
- The Company is certified for ISO 9001:2008 for Plant I.
- A reputation for quality products helped us to grow the customer base.

Tea

- The Company installed cooling driers, enclosed withering troughs and humidification plant to enhance product quality.
- The Company trained labourers to improve plucking standards. It installed advanced processing equipment; minimised tea processing.
- The Company's research and development team worked continuously with TRA to enhance yields and quality.
- Eight of nine gardens with factories were ISO 22000:2005-certified for food safety standard.

3

Asset quality risk

The Company's inability to upgrade the plant may affect efficiency and production.

Risk mitigation

Petrochem

Proactive plant maintenance and up-gradation ensured higher plant uptime and asset utilisation.

Tea

Tea processing was increasingly automated to improve productivity leading to a lower cost of production.

4

Cost risk

Inability of the Company to reduce manufacturing costs could lead to a loss in market share.

Risk mitigation

Petrochem

The Company's overheads were rationalised by a high capacity utilization level of 108%. The 10 MW coal-based power plant in Haldia will help in reducing energy costs. The logistics cost will reduce with the commissioning of MEG pipelines from the port to the plant. Optimum resource utilisation at the Haldia Plant 1 and 2 helped reduce overheads.

Tea

Operating cost was rationalised through plant automation. Once the new plantation comes in full flow, there will be a considerable increase in yields and reduction in cost.

5

Marketing risk

Inability of the Company to efficiently market products, leading to unsold stock and in turn lower capacity utilization.

Risk mitigation

Petrochem

Following expansion, the Company created an international sales team to market products worldwide.

The Company's ASPET brand is respected across around 50 countries. Of the countries to which products were exported, not one accounted for more than 8 per cent of revenues in 2012-13.

Tea

The famous cine actor Hema Malini was appointed to promote branded packet tea sales in Rajasthan where the Company's tea brands were popular on account of quality and packaging.

The Company created a wide distribution network to cover each district in Rajasthan for packet tea sales.

6

Technology risk

Inefficiency in the production process, owing to the use of obsolete technology, could affect margins

Risk mitigation

Petrochem

Existing plant in Haldia and expansion at Haldia were supported by the latest German technology.

Tea

Periodic replacement of outdated equipment and process upgradation helped improve tea quality. Factories were upgraded with new drying machines, humidification plant, enclosed withering troughs, monorail system and online sorting equipment. The Company automated most of its operations to enhance factory efficiency.

7

Environmental risk

Inability of the Company to maintain plant operations within the environmental norms could induce censure and closure.

Risk mitigation

Petrochem

PET manufacture was relatively environment-friendly marked by low emissions and effluents generation. The disposed end product was recycled in the domestic packaging sector. Advanced German technology helped minimize water and energy consumption.

The Company's Plant I is ISO 14001:2004-certified for its compliance to environmental norms, BS OHSAS 18001:2007 for safety and health management and SA 8000:2008 for maintaining workers' rights, workplace conditions and management systems.

Tea

The Company complied with all environmental laws and regulations at its gardens and factories.

8

Credit risk

Inability of the Company to recover funds from debtors may hamper the Company's working capital requirements, which in turn can impact profitability.

Risk mitigation

The customer's profile and track record were thoroughly evaluated by the Company's internal team before advancing credit. Most of the Company's export credit sales were covered under the credit insurance policy, which reduced loss due to non-payment.

9

Statutory compliance risk

Inability of the Company to meet statutory compliances which may lead to heavy penalty.

Risk mitigation

The Company had an effective statutory compliance management system, which was periodically reviewed under the close supervision of the Chief Risk Management Officer to ensure that the Company met all statutory compliances.

10

Geographical concentration risk

Concentrated revenues from a particular few geography could impact prospects following a slowdown in that geography.

Risk mitigation

- The Company's wide global presence (from 27 countries in 2010-11 to around 50 countries in 2012-13) helped reduce dependence on a particular country for revenues.
- No country in which the products were exported accounted for more than 8 % for the company's revenue in 2012-13.

Directors' Report

Dear members

Your Directors have pleasure in presenting the Ninety Seventh Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

(₹ in Crs.)

	2012-13	2011-12
Turnover and other income	2,452.84	2,004.53
Profit before interest and depreciation	182.25	133.26
Interest	43.81	41.22
Profit before depreciation	138.44	92.04
Profit for the year	99.85	59.03
Provision for tax		
- Current tax	13.06	7.19
- Deferred tax	11.80	5.26
- Adjustments of earlier years	(1.95)	(2.91)
Profit after tax	76.94	49.49
Amount brought forward from previous year	75.25	49.03
Amount available for appropriation	152.19	98.52
Appropriation proposed:		
Transfer to General Reserve	7.70	4.95
Dividend proposed on equity shares (Current year @ ₹ 4.50/- and previous year @ ₹ 4.50/- per share of ₹ 10/- each)	15.76	15.76
Tax on dividend	2.56	2.56
Balance carried to Balance Sheet	126.17	75.25

DIVIDEND

Your Directors recommended a dividend @ ₹ 4.50/- per equity share of ₹ 10 /- each for the year ended 31st March, 2013, maintaining the last year's rate, subject to the approval of the shareholders at the ensuing Annual General Meeting.

PERFORMANCE

Petrochem Division

The PET resin Plant I at Haldia operated at 107% capacity utilisation.

Your Directors are glad to inform you that the PET resin Plant II has achieved final acceptance as per the contract with the EPC contractor and your Company declared commencement of Commercial Production from 15.11.2012. The Plant II at Haldia operated at full capacity utilization during January-March 2013. The quality of PET Resin produced in Plant II is of International standard and the product is exported to various countries.

The production of PET resin increased from 2,08,975 MT in 2011-12 to 2,69,249 MT in 2012-13.

Although the plant operated in excess of 100% capacity utilisation, the margins remained under pressure throughout the year.

Tea Division

The own crop of your Company suffered due to extreme soil moisture deficit in March resulting in poor first flush crop. Rain was received in 2nd week of April after nearly 7 months of long spell. The water table was down drastically and even all rivers & jhoras dried up. Although some improvement in weather condition appeared in May, the hope of harvesting better crop thereafter vanished due to adverse weather condition in June and remained indifferent till the end of the season.

Your Company achieved the production of 109.12 lac kg tea made. Crop was marginally lower mainly because of sale of Namsang Tea Estate and Four Bought Leaf Factories. South Bank gardens also suffered due to adverse weather condition and crop was 13% lower than previous year.

The market was selectively buoyant for quality teas. Teas from non-quality areas continued to be lower priced with preference for better teas. Your Company's teas attracted better realisation over the auction averages.

PROSPECTS

Petrochem Division

With the commissioning of the Plant II at Haldia, the Company's total production capacity would be more than double in the FY 2013-14 in comparison to the earlier capacity of the Company of 2,00,000 TPA. The Company has optimised its existing resources, has created international sales team, strategically located in various countries and is all geared up to meet the marketing challenges to sell the added volumes coming out of the expanded capacity.

Both the PET Resin Plant I and Plant II at Haldia are expected to operate at full capacity utilisation in the coming year.

The Domestic PET resin market in India is expected to continue its double-digit growth in the coming years. The demand of FY 2012-13 was 5.85 lac tons and is expected to be 6.70 lac tons in FY 2013-14. With the commissioning of Plant II and a couple of other new capacities underway, the FY 2013-14 will be a challenging year for the PET industry. With our relationship based marketing strategy, we are confident to retain our existing customers and thrive for increase in the customer base in future.

Tea Division

The Tea gardens received some useful rain in the last week of March 2013 in South Bank gardens after a prolonged dry spell since October 2012. It was the longest dry spell recorded in this area of Assam. However, there has been continuous useful rain in April 2013. Bushes have started recovering from the effect of drought. Your Company mitigated the ill effects of drought to a large extent by continuous use of sprinkler irrigation in North Bank gardens, which was supported by some useful rain in March 2013.

Continued emphasis on manufacturing quality teas have yielded favourable response in all our gardens from our buyers. Most of the gardens have been brought under quality manufacturing process for better price realisation and it is expected that all gardens will further improve their quality in 2013.

The production at Hatijan Tea Factory has now stabilised and it is producing good quality teas in this season and will contribute to the overall profitability of your Company.

Your Company's packet tea brands LAL GHORA and KALA GHORA continued to receive good response from consumers due to consistent quality of tea in the packets. There has been improvement in packaging which has helped in achieving marginally higher sale quantity and it is expected that there should be further increase in sale quantity in 2013-14.

Demand for good quality CTC teas is expected to remain buoyant. The demand at the auctions and private sales has resulted in better prices for your Company's tea. Barring unforeseen adverse weather conditions, your Company is expected to strengthen its profitability in the coming years.

Your Company has sold and handed over three tea factories in Assam namely Primax Tea Factory, Sona Assam Tea Factory and Shreemoni Tea Factory.

As reported last year your Company has sold one of the tea estates namely Namsang Tea Estate. Further, the possession of the said tea estate has also been handed over.

Your Company's current tea production is 10.91 million kg and with the acquisition of subsidiaries in Malawi, Africa (as detailed in the Subsidiaries Section), Dhunseri's consolidated Tea production capacity will be around 22 million kg per annum.

IT-SEZ Division

The construction work of 'Dhunseri IT Park' at Bantala is progressing gradually. In respect of the first phase having a built up area of 3,70,000 sq. ft., the civil construction has been completed and it is ready for MEP and other Exterior works, which will begin depending on market scenario.

Barring unforeseen circumstances, the Company's performance for the coming year is expected to be satisfactory.

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

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are attached as an annexure to this report.

DISCLOSURE UNDER SEC 217(2A) OF THE COMPANIES ACT, 1956

The particulars of employees whose salary exceed the limits as prescribed under Section 217(2A) of the Companies Act, 1956 are given as an annexure to this report.

AUDITORS

M/s Lovelock & Lewes, Chartered Accountants, retire on the conclusion of this Annual General Meeting, and being eligible, offer themselves for reappointment.

DIRECTORS

Mr. J.P.Kundra, Mr. P.K.Khaitan and Dr. B.Sen, Directors of your Company will retire at this Annual General Meeting by rotation, and being eligible, offer themselves for reappointment. The Board recommends their reappointment as Directors of your Company.

FIXED DEPOSITS

The Company has not accepted any deposits from the public. However the Companies (Acceptance of Deposits) Rules, 1975 were complied with in view of the deposits being accepted from the employees of the Company. All the Fixed Deposits (FDs) have been repaid and there is no outstanding balance relating to FDs as at the end of the FY 2012-13.

SUBSIDIARY COMPANY

1) Egyptian Indian Polyester Company S.A.E (EIPET):

EIPET's project in Egypt is progressing satisfactorily. Start up of trial run is expected to commence in September 2013 quarter.

2) Dowamara Tea Company Private Ltd. (DTCPL):

Dowamara Tea factory belonging to Dowamara Tea Company Private Limited (DTCPL), which is a wholly-owned subsidiary of the Company, produced 7.87 lac kg during the year ended 31st March, 2013. DTCPL suffered a loss of ₹ 81.55 lacs during the current year.

3) Dhunseri Petrochem & Tea Pte Ltd. (DPTPL):

The Wholly Owned Subsidiary of your Company in Singapore namely Dhunseri Petrochem & Tea Pte Ltd. had been incorporated for transferring the Company's investment in Egyptian Indian Polyester Company S.A.E.(EIPET) to DPTPL. The said transfer is under progress and would be done once all the necessary formalities are completed. During the year DPTPL has acquired 100% share capital of Makandi Tea and Coffee Estates Limited and Kawalazi Estate Company Limited, both companies based in Malawi, Africa.

4) Makandi Tea and Coffee Estates Ltd. & Kawalazi Estate Company Ltd.:

To have a global reach your Company through its Wholly Owned Subsidiary, Dhunseri Petrochem & Tea Pte Limited (DPTPL) has acquired two tea estates in Malawi, Africa owned by Makandi Tea and Coffee Estates Limited and Kawalazi Estate Company Limited by DPTPL acquiring 100% stake in those Companies. The total consideration paid by DPTPL was US$ 22 million which was funded partly by loan of US$ 12 million and the balance by equity contribution in DPTPL made by your Company, which in turn has been funded by your Company through internal accruals and proceeds from the sale of Namsang Tea Estates/ other Tea factories.

Accordingly, your Company has become the ultimate holding Company of Makandi Tea and Coffee Estates Ltd. & Kawalazi

Estate Company Ltd. (being the subsidiaries of DPTPL).

Makandi Tea and Coffee Estates Ltd. is engaged in the production of Tea, Macadamia & Coffee and Kawalazi Estate Company Ltd. in the production of Tea & Macadamia. The aforesaid two subsidiaries based in Malawi, Africa in totality produce 94.50 lac kg of Tea and 4 lac kg of Macadamia.

SUBSIDIARY ACCOUNTS

Ministry of Corporate Affairs has granted general exemption to the companies under Section 212 of the Companies Act, 1956, from attaching the reports and accounts of the subsidiary company, subject to fulfillment of certain conditions, which amongst others include the consent of the Board of Directors for not attaching the annual accounts of the subsidiary. Accordingly, the Board of Directors of the Company, at its meeting held on 14th May, 2013, has consented for not attaching the annual accounts of the subsidiaries viz, M/s Egyptian Indian Polyester Company S.A.E., Dowamara Tea Company Private Ltd., Dhunseri Petrochem & Tea Pte Ltd., Makandi Tea and Coffee Estates Ltd. and Kawalazi Estate Company Ltd. with the accounts of the Company.

Accordingly, the Audited Statements of Accounts, the reports of Board of Directors and Auditors of the subsidiary companies have not been annexed. The annual accounts of the subsidiary companies and the related detailed information shall be made available to the shareholders of the Company and subsidiary companies seeking such information at any point of time. Shareholders who wish to have a hard copy of the full reports and accounts of the subsidiaries will be provided the same on receipt of written request from them. These documents will also be available for inspection by any shareholder at the registered office of the Company and that of the subsidiaries on any working day during business hours, except on Saturdays.

As required under the listing agreement with the stock exchanges, the audited consolidated financial statements of your Company are also attached and form a part of the Company's annual report.

COST AUDIT

Your Company is under the purview of Cost Audit as per Section 233B of the Companies Act, 1956 in respect of manufacture of Tea and Poly Ethylene Terephthalate (PET) resin. M/s Mani & Co., Cost Accountants, have been appointed as Cost Auditors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

(i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

(ii) That the Directors had 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 the Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities;

(iv) That the Directors prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

Corporate Governance and Management Discussion and Analysis Reports are set out as separate annexure to this report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company recognises that its operations impact a wide community of people and that appropriate attention to the fulfillment of its corporate responsibilities towards community development can enhance overall performance. It has continued with its welfare activities for development in the fields of education, health, culture and other welfare measures and to improve the general standard of living.

As reported in the last year's report, your Company contributes 1% of its profits towards CSR activities, with a maximum ceiling of ₹ 1 crore, including contributions to Dhanuka Dhunseri Foundation Trust (DDFT). As reported in the last year's report, DDFT acts as the vehicle through which the CSR activities of the Company are carried out across the various parts of the country. The Trust was formed in 1972 for various charitable objectives. It is involved in various philanthropic activities like building schools, colleges and girls hostel, providing free medicines through dispensaries and grants to charitable institutes.

CERTIFICATIONS

Petrochem division

The Petrochem division of the Company holds quality certifications from renowned national and international agencies like the USFDA, EC, Japanese and Canadian Food and Health Bodies and ITRC and is also ISO 9001:2008, ISO 14001: 2004, BS OHSAS 18001: 2007 and SA 8000:2008 certified for Plant I at Haldia.

Tea Division

Your Directors wish to inform you that the ISO 22000:2005 certification for Hatijan Tea Estate is under advanced stages and is expected to be received soon, after which all the Tea Estates of the Company with factories will be ISO 22000:2005 certified.

ENVIRONMENT, HEALTH AND SAFETY

Environmental stewardship, safety and health continue to be of paramount importance. Your Company follows the practices for environmental sustainability and safety in the way of doing its daily businesses. It continuously strives to aim at energy efficiency, waste management and disposal to protect the environment from negative impacts.

Your Directors inform you that your Company has strengthened various fire safety measures including by way of:
equipping itself with a state-of-the-art fire sensing system and fire station, three numbers of fire tenders equipped with full fledged fire fighting equipments, fire hydrant system, etc.

Your Directors inform you that the Department of Environment, Government of West Bengal under the directions of Ministry of Environment & Forests had issued a letter dated 11.3.2013 withdrawing Environment Clearance granted to your Company for the new PET Plant at Haldia alongwith 10 MW Power Plant (which is still under construction). Your Company preferred an appeal against the said order in front of Hon'ble National Green Tribunal. The Hon'ble Bench upon hearing the plea from all sides, was pleased to set-aside the said withdrawal of Environment Clearance and the Authorities have been directed to consider the matter in accordance with law.

REDEMPTION OF FOREIGN CURRENCY CONVERTIBLE BONDS

Your Directors inform that in respect of the Foreign Currency Convertible Bonds (FCCBs) issued by erstwhile South Asian Petrochem Ltd. (since merged with the Company) in 2007-08, the outstanding FCCBs amounting to US$ 7.5 million were redeemed on 22.01.2013 at a premium of 36.86% on the principal amount, i.e. US$ 10,264,598.25.

CREDIT RATING BY CREDIT ANALYSIS & RESEARCH LTD. (CARE)

Your Directors inform that CARE has reaffirmed the Credit rating of CARE A + (Single A plus) assigned to long term bank facilities of the Company and CARE A1+ (CARE A One plus) assigned to short term facilities of the Company. At the same time CARE has reaffirmed the Credit rating of CARE A1+ (CARE A One plus) assigned to the Short Term Debt (STD) programme (including Commercial Paper) of the Company of ₹ 100 Crs. for a maturity upto six months.

Further CARE has assigned Credit rating of CARE A + (Single A plus) to Non Convertible Debenture (NCD) issue of ₹ 100 Crs. of the Company for a maturity of 10 years.

EMPLOYEES

Your Company believes that 'people' are the biggest strength for the success of any organisation. Your Directors wish to express their appreciation to all the employees for their valuable contributions, excellent team spirit, dedication, enthusiasm and commitment in achieving and sustaining excellence in all areas of the business.

ACKNOWLEDGEMENT

The Directors wish to place on record their sincere appreciation for the whole-hearted support received from Axis Bank, Allahabad Bank, Bank of Baroda, Canara Bank, Deutsche Bank, Development Credit Bank, DBS Bank Limited, HSBC

Limited, HDFC Bank Limited, ICICI Bank Limited, IDBI Bank Limited, IndusInd Bank Limited, International Finance Corporation, Washington, Punjab National Bank, State Bank of India, Standard Chartered Bank, United Bank of India, West Bengal Industrial Development Corporation Ltd, Tea Board, Haldia Development Authority, Office of the District Magistrate of East Midnapore, West Bengal Pollution Control Board, West Bengal State Electricity Board, Ministry of Environment & Forest, Government of West Bengal, Government of Assam, Government of Egypt, Governorate of Suez, General Authority for Investment and Free Zones (GAFI), Egyptian Petrochemicals Holding Company (ECHEM), Engineering for the Petroleum and Process Industries (ENPPI), Ahli United Bank (Egypt) S.A.E, Commercial International Bank (Egypt) S.A.E, Egypt, Dubai Multi Commodities Centre, the customers, suppliers, shareholders and all others associated with the Company.

For and on behalf of
The Board of Directors

Place: Kolkata
Date: 28th May, 2013

C. K. Dhanuka
Executive Chairman

Annexure to the Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2013.

A. CONSERVATION OF ENERGY:

Your Company attaches priority to conservation of energy. The activities of the Company in this direction are:

a. Energy conservation measures taken:

Petrochem Division

1. Replacement of conventional tube lights with energy-efficient tube lights for office areas.

Tea Division

Vibratory Fluidised bed dryer has been installed in all the factories and manufacturing has been stabilised with improvement in quality.

Coal saver has been installed in North Bank gardens for maintaining the temperature thereby saving overall coal consumption by 4-5%.

b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Petrochem Division

Investments and proposals presently under consideration are:

1. Substitution of existing 132 kw Arzener compressor with lower capacity for installation of new 90 kw CP compressor of same flow rate.

Tea Division

Efficient gas burners have been installed in two factories to bring down the consumption of gas.

Automatic Power Factor meters have been installed in one factory for improvement in overall power factor thereby reducing the energy cost. This will be installed in this season in other factories.

c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Petrochem Division

The proposed energy conservation measures are expected to yield cost savings on account of substitution of 132 kw Arzener compressor.

Tea Division

The energy conservation measures have resulted in saving of 4-5% in both gas and electricity consumption. Saving in coal consumption will be fully reflected in the year 2013-14.

FORM A

Form for disclosure of particulars with respect to conservation of energy

A.	POWER & FUEL CONSUMPTION	Current Year ended 31st March 2013	Previous Year Ended 31st March 2012
1.	**Electricity**		
a)	Purchased units (lacs KWH)	118.94	78.59
	Total Amount (₹ lacs)	881.86	568.20
	Rate / Unit (₹/KWH)	7.41	7.23
b)	Own Generation		
i)	Through Diesel Generator Units (lacs KWH)	20.94	20.60
	Units per ltr. of fuel	2.75	2.75
	Cost/unit (₹/KWH)	16.49	13.86
ii)	Through F O generator units (lacs KWH)	31.39	61.29
	Units per kg of fuel	4.32	4.69
	Cost/unit (₹/KWH)	9.56	7.62
iii)	Through gas generator units (lacs KWH)	10.15	13.14
	Units per S cum of fuel	3.09	3.82
	Cost/unit (₹/KWH)	3.18	2.32
iv)	Through turbine generator units (lacs KWH)	588.29	514.03
	Units per MT of fuel	741.76	908.15
	Cost/Unit (₹/KWH)	3.72	4.83
2.	**Coal (Note 1&2)**		
	Quantity (MT)	60,439.37	44,907.56
	Total cost (₹ lacs)	1,703.96	1,938.42
	Average rate (₹/MT)	2,819.29	4,316.48
3.	**Furnace Oil (for heating)**		
	Quantity (MT)	801.28	911.54
	Total cost (₹ lacs)	328.84	315.14
	Average rate (₹/MT)	41,039.52	34,572.53
4.	**Gas**		
	Quantity (lacs S cum)	30.36	34.32
	Total cost (₹ lacs)	274.03	282.84
	Average rate (₹/S cum)	9.03	8.24

B.	CONSUMPTION PER UNIT OF PRODUCTION	Standard (if any)	Current year ended 31st March 2013	Previous year ended 31st March 2012
	Product-Tea			
	Tea produced (lac kg.)		109.12	134.66
	Electricity (KWH)	0.90	0.86	0.83
	Coal (kg.) (Khasi coal)	0.90	0.37	0.43
	Gas (S cum)		0.28	0.25
	Product-Polyethylene Terephthalate (PET) Resin			
	PET produced (MT)		2,69,249	2,08,975
	Electricity (KWH/MT)	273.00	250.88	275.70
	Furnace oil (Kg/MT)	86.00	2.98	4.36
	Coal (Kg/MT) (Imported Indonesian Coal/ steam coal/ROM coal)		209.67	187.25

Note:

1) Quality of coal-a) Petrochem division: Imported Indonesian Coal/Steam and ROM coal; b) Tea division: Khasi coal.

2) Where used-a) Petrochem division: In coal-fired HTM heaters for process heating; b) Tea division: In coal fired heaters.

3) In Petrochem division, process heating was done primarily by coal and in case of emergency by FO during the year. In Tea Division process heating was done by coal in North Bank Gardens and gas in South Bank Gardens.

FORM B

Form for disclosure of particulars with respect to absorption

Research and Development (R&D)

Petrochem Division

Research and Development is spread across the business of the Petrochem division. Though no specific expenditure was made under the head R&D, constant development efforts are made to increase efficiency and for cost reduction.

1. Specific areas in which R&D was carried out by the Company-

The following R&D activities were conducted during the financial year 2012-13 to achieve significant development in quality and to make the product compliance to changing international criteria.

Use of Antimony as Polycondensation catalyst is a long prevailing practice. Developed nations are on the process to restrict use of Antimony as catalyst. DPTL has initiated through its R&D activities to explore the use of other catalyst. Trial production with new catalyst is being planned in the FY 2013-14.

2. Benefits derived as a result of the above R&D-

ASPET brand PET will be more environmental friendly having no Antimony as Catalyst.

3. Future plan of action-Trial production by end of second quarter of financial year 2013-14.

4. Expenditure on R&D:

a. Capital: Nil

b. Recurring: Nil

c. Total: Nil

d. Total R&D expenditure as a percentage of total turnover: Nil

The R&D is integrated to the production and quality control process of the Company and as a result cannot be segregated.

The benefits are consequently synergised and not allocated in terms of financial heads.

Tea Division

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

Gramin Krishi Unnayan Prakalpa is implemented for agricultural development as well as overall improvement of socio-economic improvement of the area through various Tea Associations.

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

Petrochem Division

Material procurement for required modification of existing plant to produce barrier PET was completed. However due to the unfavourable market condition, the management has taken a decision to defer the installation/integration of the machinery/ equipments.

Tea Division

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

Garden has used JCB for uprooting tea bushes with better results in both quality & speed of work and reducing the involvement of manual workers without increasing the overall cost of uprooting & replanting. It has also helped in mitigating the shortage of male workers to some extent.

2. Benefits derived as a result of the above efforts, e.g, product improvement, cost reduction, product development, import substitution etc.

Tea Division

Benefits in the tea division included reducing the cost of production and improvement in product quality.

3. In case of imported technology (imported during the last five years, reckoned from the beginning of the financial year), the following information may be furnished:

(a) Technology imported – licensing agreement for import of technology in connection with the production of Barrier PET was signed in the FY 2010-11.

(b) Year of import - agreement signed in 2010-11.

(c) Has technology been fully absorbed - In project stage (deferred).

(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action –For reasons given in point (1) above.

Foreign exchange earnings and outgo:

1. Earnings in foreign exchange - ₹ 906.54 Crs.
2. Foreign exchange outgo - ₹ 761.82 Crs.

Information on foreign exchange earnings and outgo is contained in Note no. 45-48 to the Accounts.

Activities Relating to Exports:

Your Company's product (bottle grade PET resins), produced in Haldia plant, is exported to around 50 countries currently. Your Company exported 113,088 MT in 2012-13. The export quantity has increased due to increased production available from enhanced capacity.

There are no exports in respect to tea.

Initiatives taken to increase exports:

Our export sales strategy remains similar to last financial year. Your Company reduced sales channels and contacted end-users directly, developing good relationships with them for long-term business, achieving better bottomline and better brand visibility in the market. Direct contact with customers helps understand customer-specific needs, guides them for appropriate products and provides them with customised services to strengthen relationships.

Development of new export markets for products and services:

Your Company targeted strong and regular customers in Europe, USA & Latin America in view of future capacity expansion and working closely with them to enhance their business and became a part of their business process.

Export plans:

Your Company's plan for 2013-14 is based on current global supply demand. The Company's focus is on the market which will give optimum returns and employing experienced sales professionals in the respective market for better follow ups and customer services.

Annexure to Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors' Report for the year ended 31st March, 2013.

Name	Age (yrs)	Qualification	Date of commen-cement of Employment	Designation/ Nature of Duties	Remuneration Received Gross(₹)	Experience	Last Employment
Mr. C.K.Dhanuka	59	B.Com (H)	07/02/75	Executive Chairman	2,43,62,892	38 years	First Employment
Mr. M.Dhanuka*	32	B.Com (H)	12/08/05	Vice Chairman & Managing Director	1,83,44,212	12 years	First Employment
Mr. Biswanath Chattopadhyay *	56	B.Tech (Chem)	19/10/99	Managing Director & CEO	96,42,545	32 years	Tech. Director, Elque Polyester
Mr. R.K.Sharma*	48	B.Com(H), A.C.A., A.C.S.	01/11/98	Executive Director (Finance)	65,64,040	26 years	Dhunseri Tea & Industries Ltd.

*The details in respect of Date of commencement of Employment and Last Employment pertain to that of their employment in erstwhile South Asian Petrochem Ltd. (since merged with the Company).

Notes:

1. Remuneration received includes salary, bonus, allowances, commission, taxable value of perquisites and the Company's contribution to provident fund.

2. Nature of Employment is contractual. Other terms and conditions are as per their respective agreement/Board Resolution and as per the Rules of the Company.

3. Mr. C.K.Dhanuka and Mr. M.Dhanuka are related to each other. Mr. C.K.Dhanuka is the father of Mr. M.Dhanuka. None of the other employees mentioned above is related to any of the Directors of the Company.

4. Mr. C.K.Dhanuka holds 45,520 shares (0.13%) in the Company. Mr. M.Dhanuka holds 1,15,921 shares (0.33%) in the Company. Mr. R.K.Sharma holds 500 shares (0.00%) in the Company.

CORPORATE GOVERNANCE REPORT

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

1. Company's philosophy on Corporate Governance

The Company firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty and accountability and help the Company in its goal to maximise value for all its stakeholders. It is a system by which business corporations are directed and controlled.

Dhunseri Petrochem & Tea Limited (DPTL) is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself against each such practice in the industry. DPTL believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity. The Company works with the mission to attain global eminence through quality leadership and vision to raise the bar in line with the best global practices, create customer value and enhance shareholder value. Dhunseri Petrochem & Tea Limited complies with the Corporate Governance Code enshrined in Clause 49 of the Listing Agreement.

2. Board of Directors

a) Composition of Board

The Board of Dhunseri Petrochem & Tea Limited as on 31st March 2013, comprises of an Executive Chairman, a Vice Chairman & Managing Director, a Managing Director & CEO, an Executive Director (Finance) and eight other Directors. The day to day affairs of the Company is managed by the Executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The composition of Board is as follows:

Name of the Directors	Position
Mr. Chandra Kumar Dhanuka	Executive Chairman Executive Director & Promoter Not liable to retire by rotation
Mr. Mrigank Dhanuka	Vice Chairman & Managing Director Promoter Not liable to retire by rotation
Mr. Biswanath Chattopadhyay	Managing Director & Chief Executive Officer Not liable to retire by rotation
Mr. Rajiv Kumar Sharma *	Executive Director (Finance) Liable to retire by rotation
Mr. Pradip Kumar Khaitan	Non-Executive & Non-Independent Director Liable to retire by rotation
Mr. Bharat Bajoria	Non-Executive & Independent Director Liable to retire by rotation
Mr. Yves F Lombard	Non-Executive & Non-Independent Director Liable to retire by rotation
Mr. Joginder Pal Kundra	Non-Executive & Independent Director Liable to retire by rotation

Name of the Directors	Position
Dr. Basudeb Sen	Non-Executive & Independent Director Liable to retire by rotation
Mr. Anurag Bagaria	Non-Executive & Independent Director Liable to retire by rotation
Mr. Raj Narain Bhardwaj	Non-Executive & Independent Director Liable to retire by rotation
Mr. Dharam Pal Jindal **	Non-Executive & Independent Director Liable to retire by rotation

*appointed w.e.f 1st April, 2012 **appointed w.e.f 2nd May, 2012 as Additional Director

b) Number of other Directorships and Chairmanship/ Membership of Committees of each Director in various companies is as under:

The membership of the Directors in various Board Committees of the Company and also the number of Directorships and committee memberships in other companies as on 31st March 2013 is given hereunder:

Name of the Director	Board Committee Memberships in the Company	Number of directorships in other companies (Note 1)	Board Committee Memberships in other companies (Note 2)	Board Committee chairmanships in other companies (Note 2)
Mr. C. K. Dhanuka	Audit Committee Remuneration Committee Shareholders' Grievance Committee Share Transfer Committee Investment Committee Corporate Governance Committee	7	1	1
Mr. M. Dhanuka	Share Transfer Committee Investment Committee Risk Management Committee	5	None	None
Mr. B. Chattopadhyay	Shareholders' Grievance Committee Share Transfer Committee Investment Committee Risk Management Committee	None	None	None
Mr. R. K. Sharma	Share Transfer Committee Investment Committee Risk Management Committee	None	None	None
Mr. P. K. Khaitan	Remuneration Committee	14	4	None
Mr. B. Bajoria	Audit Committee Remuneration Committee Investment Committee	7	2	None

Name of the Director	Board Committee Memberships in the Company	Number of directorships in other companies (Note 1)	Board Committee Memberships in other companies (Note 2)	Board Committee chairmanships in other companies (Note 2)
Mr. Y. F. Lombard	None	None	N.A	N.A
Mr. J. P. Kundra	Audit Committee Remuneration Committee Shareholders' Grievance Committee	3	3	1
Dr. B. Sen	Audit Committee Remuneration Committee Shareholders' Grievance Committee Share Transfer Committee Corporate Governance Committee	7	4	1
Mr. A. Bagaria	None	None	None	None
Mr. D. P. Jindal	None	5	2	None
Mr. R. N. Bhardwaj	None	10	7	2

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49 across all the Companies in which he is a Director.

Necessary disclosures regarding Committee position in other public companies as at 31st March, 2013 have been made by the Directors.

Note 1: Number of directorships in other companies excludes directorships in private limited companies, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

Note 2: Board Committee chairmanships/memberships in other companies includes only chairmanships/memberships of Audit Committees and Shareholders' Grievance Committees.

Note 3: Board Committee memberships in other companies includes chairmanships in committees of other companies.

Note 4: Mr. M. Dhanuka, Vice Chairman & Managing Director, is related to Mr. C. K. Dhanuka, Executive Chairman, as per Section 6 of the Companies Act, 1956. Mr. M. Dhanuka is the son of Mr. C. K. Dhanuka.

c) Board Meetings

The Board met five times during the financial year 2012-13.The attendance of Directors at the Board Meetings and at the last Annual General Meeting:

MEMBERS OF THE BOARD	BOARD MEETINGS HELD ON					AGM HELD ON
	20TH APRIL 2012	2ND MAY 2012	2ND AUGUST 2012	2ND NOVEMBER 2012	31ST JANUARY 2013	2ND AUGUST 2012
Mr. C. K. Dhanuka	Yes	Yes	Yes	Yes	Yes	Yes
Mr. M. Dhanuka	Yes	Yes	Yes	Yes	Yes	Yes
Mr. B. Chattopadhyay	Yes	Yes	Yes	Yes	Yes	Yes
Mr. R. K. Sharma	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P. K. Khaitan	No	Yes	Yes	No	Yes	Yes
Mr. B. Bajoria	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Y. F. Lombard	No	No	Yes	No	No	Yes
Mr. J. P. Kundra	No	Yes	Yes	Yes	Yes	Yes
Dr. B. Sen	Yes	Yes	Yes	Yes	Yes	Yes
Mr. A. Bagaria	No	Yes	No	No	Yes	No
Mr. D. P. Jindal*	N.A	No	Yes	No	Yes	Yes
Mr. R. N. Bhardwaj	No	Yes	No	Yes	Yes	No

*appointed w.e.f 2nd May, 2012 as Additional Director.

Note: During 2012-13, the Board Meetings and the Annual General Meeting were held at Kolkata.

d) Code of Conduct

The Board of Dhunseri Petrochem & Tea Limited laid down a Code of Conduct for all the Board members and Senior Management of the Company. The Code of Conduct is posted on the website of the Company (www.dhunseritea.com). All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct and the Managing Director & CEO of the Company has confirmed the same.

The Company has constituted the Risk Management Committee, comprising all the Executive Directors of the Company and Senior Management officials by the name, to assess the risks and concerns affecting the Company. The minutes of the meetings of the Committee are placed before the Board, who take note of the same and initiate deliberations, if required.

3. Audit Committee

The Audit Committee has been constituted in line with the provisions of Clause 49 of the Listing Agreement and also meets the requirements of Section 292A of the Companies Act, 1956. The members of the Audit Committee have requisite financial and management expertise.

The Audit Committee comprises of Executive Chairman and three Non-Executive, Independent Directors.

The Audit Committee has been vested with the following powers:

a) To investigate any activity within its terms of reference.

b) To seek information from any employee.

c) To obtain outside legal or other professional advice.

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Mr. K. V. Balan, Company Secretary of the Company is the designated Compliance Officer.

Role of Audit Committee

The role of Audit Committee includes:-

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 to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

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 before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Directors' Responsibility Statement, is to be included in the Boards' report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

5A. 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 utilised 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.

6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

7. 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.

8. Discussion with internal auditors any significant findings and follow up there on.

9. 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.

10. 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.

11. 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.

12. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, among others of the candidate.

13. 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 conducts a review of the following information:

1. Management Discussion and Analysis of the financial condition and results of operations.
2. Statement of significant related-party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

The Committee met four times during the financial year 2012-13. The attendance of the Directors at the said meetings was:

Members of the Audit Committee	Audit Committee Meetings Held On			
	2ND MAY 2012	2ND AUGUST 2012	2ND NOVEMBER 2012	31ST JANUARY 2013
Mr. J. P. Kundra, Independent Director Retired Banker Chairman, Audit Committee	Yes	Yes	Yes	Yes
Mr. C. K. Dhanuka, Promoter-Director Industrialist	Yes	Yes	Yes	Yes
Dr. B. Sen, Independent Director Retired Banker, Management Professional and Business Economist	Yes	Yes	Yes	Yes
Mr. B. Bajoria, Independent Director	Yes	Yes	Yes	Yes

General

M/s Mani & Co., Cost Accountants, "Ashoka", 111, Southern Avenue, Kolkata - 700029 were appointed as Cost Auditor of the Company to conduct Cost Audit of the Accounts of the Tea Division and Petrochem Division maintained by the Company for the financial year ending 31st March, 2013.

The Cost Auditors appointed by the Company under Section 233B of the Companies Act, 1956 attended the Audit Committee Meeting, where Cost Audit Report for the Tea Division and the Compliance Report on maintenance of cost records for the year ended 31st March, 2012 were discussed and approved. For the FY 2011-12, cost audit was not applicable for the Petrochem division. The Cost Audit Report for the Tea Division and the Compliance Report on maintenance of cost records was filed by M/s. Mani & Co., Cost Accountants for the year ended 31st March, 2012 on 14th December, 2012. The due date for filing of the same in XBRL mode for the financial year ended 31st March, 2012 was 28th February, 2013 and the same was filed by the Cost Auditors within the due date. The due date for filing the Cost Audit Reports for both Tea and Petrochem Divisions for the financial year ended 31st March, 2013 is 27th September, 2013 within which the said report would be filed.

4. Remuneration Committee

The Remuneration Committee was reconstituted on 2nd May, 2012 with inclusion of Mr. B.Bajoria, Non-Executive & Independent Director and the committee comprises one Executive Director and four Non-Executive Directors, of whom three are Independent Directors.

The Remuneration Committee has been vested with the following powers:

a) To determine on behalf of the Board, the agreed terms of reference, remuneration packages for Executive Directors including pension rights and any commission and compensation payment.

b) To decide on the remuneration policy of the Company.

The Committee met once during the financial year 2012-13. The attendance of the Directors at the said Meeting was:

Members of the Remuneration Committee	Remuneration Committee Meeting Held On
	2ND MAY 2012
Dr. B. Sen, Chairman, Remuneration Committee	Yes
Mr. C. K. Dhanuka	Yes
Mr. P. K. Khaitan	Yes
Mr. J. P. Kundra	Yes
Mr. B. Bajoria	Yes

Details of remuneration for the year ended 31st March 2013

(i) Executive Director (in ₹)

Name of Director	Salary	Other benefits	Company's contribution to P.F	Commission (variable component)	Incentive (variable component)	Total remuneration
Mr. C. K. Dhanuka	14,70,000	9,31,492	1,76,400	2,17,85,000	Nil	2,43,62,892
Mr. M. Dhanuka	52,80,000	30,04,612	3,45,600	87,14,000	10,00,000	1,83,44,212
Mr. B. Chattopadhyay	52,80,000	30,16,945	3,45,600	Nil	10,00,000	96,42,545
Mr. R. K. Sharma	37,60,000	19,73,640	2,30,400	Nil	6,00,000	65,64,040
Total	**1,57,90,000**	**89,26,689**	**10,98,000**	**3,04,99,000**	**26,00,000**	**5,89,13,689**

The agreements with the Managing & Executive Director(s) are contractual in nature and are executed to cover tenure as permissive under the Companies Act, 1956. The agreements between the company and the Managing & Executive Directors can be terminated by either party by giving three months' notice / one months' notice in writing as per their respective agreements. The agreements do not provide for the payment of any severance fees. There were no stock options available/ issued to the Managing & Executive Directors and it does not form part of the contract with the Company.

Payment of incentives to the Managing & Executive Directors, except Executive Chairman is based on the performance of the person contributing towards the performance and growth of the Company.

The Vice-Chairman & Managing Director and the Managing Director & CEO are entitled to performance incentive subject to the maximum limit of 12 lacs as per the decision of the board of directors on the recommendation of the Remuneration Committee. The Executive Director (Finance) is also entitled to the performance incentive subject to the maximum limit of 8 lacs as per the decision of the board of directors on the recommendation of the Remuneration Committee.

The Executive Chairman and Vice-Chairman & Managing Director are entitled to a commission, based on the net profits of the Company in a particular year as laid down in Sections 198 and 309 of the Companies Act, 1956, subject to a maximum of 2.5% and 1% of the net profits of the Company respectively.

Details of shares held by Managing & Executive directors in the Company as on 31st March, 2013:-

Name	No. of Shareholdings in the Company
Mr. C. K. Dhanuka	45,520 shares
Mr. M. Dhanuka	115,921 shares
Mr. R. K. Sharma	500 shares

(ii) Non-Executive Directors

Sitting fees for attending Board/Committee meetings are paid to the Non-Executive Directors. The Non-Executive Directors are not paid any commission. The criteria for remuneration, payable to Non-Executive Directors, are as contained in the Articles of Association of the Company. The Company pays ₹ 20,000 as sitting fees to each Director for every Board meeting attended by them. It pays ₹ 10,000 to each member for attending each of the Audit and Remuneration Committee meetings and ₹ 5,000 to each member for attending the Shareholders' & Investors' Grievance Committee meeting of the Board, unless such a Committee has waived the sitting fees. No sitting fee is payable for attending the other Committee meetings of the Company.

Details of shares held by Non-Executive Directors in the Company as on 31st March, 2013:

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

During the financial Year 2012-13, the following were the remuneration paid to the Non-Executive Directors:

Name of the Director	Board Committee Memberships In the Company	Total sitting fees Received # (₹)
Mr. P. K. Khaitan	Remuneration Committee	70,000
Mr. B. Bajoria	Audit Committee Remuneration Committee Investment Committee	1,50,000
Mr. Y. F. Lombard	None	20,000
Mr. J. P. Kundra	Audit Committee Remuneration Committee Shareholders' Grievance Committee	1,50,000
Dr. B. Sen	Audit Committee Remuneration Committee Shareholders' Grievance Committee Share Transfer Committee Corporate Governance Committee	1,70,000
Mr. A. Bagaria	None	40,000
Mr. D. P. Jindal	None	40,000
Mr. R. N. Bhardwaj	None	60,000

Mr. J. P. Kundra, Mr. P. K. Khaitan and Dr. Basudeb Sen are retiring by rotation and being eligible offer themselves for reappointment. Their details are given in the Annexure to the Notice, under the head Information Pursuant to Clause 49 of The Listing Agreement.

5. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee comprises four Directors, two of whom are Non- Executive Independent Directors. This Committee specifically looks into the redressal of shareholder and investor complaints. The Committee met four times during the financial year 2012-13. The attendance of the Directors at the said meetings was:

Members of the Shareholders' Grievance Committee	Shareholders' Grievance Committee meeting held on			
	2ND MAY 2012	2ND AUGUST 2012	2ND NOVEMBER 2012	31ST JANUARY 2013
Mr. J. P. Kundra Chairman Shareholders' Grievance Committee	Yes	Yes	Yes	Yes
Mr. C. K. Dhanuka	Yes	Yes	Yes	Yes
Dr. B. Sen	Yes	Yes	Yes	Yes
Mr. B. Chattopadhyay	Yes	Yes	Yes	Yes

Mr. K. V. Balan, Company Secretary of the Company is the designated Compliance Officer.

The Company has received 8 investor complaints during the year ended 31st March, 2013 and the same had been disposed off. There were no Investor complaints pending at the beginning of the year or lying unresolved at the end of the year.

6. Share Transfer Committee

The shares of the Company are traded compulsorily in dematerialised form. In accordance with Clause 49 para IV(G)(iv) of the Listing Agreement of the stock exchanges, the Board has unanimously delegated the powers of share transfers to a Share Transfer Committee. The Share Transfer Committee considers requests for transfer of shares in physical form, rematerialisation of shares and consolidation/sub-division of shares after these have been vetted by M/s Maheshwari Datamatics Pvt. Ltd., the Company's Registrar and Share Transfer Agent.

Share Transfer Committee meetings held on	Members of the Share Transfer Committee				
	Mr. C. K. Dhanuka	Mr. M. Dhanuka	Mr. B. Chattopadhyay	Mr. R. K. Sharma	Dr. B. Sen
2nd April, 2012	Yes	No	Yes	Yes	Yes
20th April, 2012	Yes	Yes	Yes	Yes	Yes
2nd May, 2012	Yes	Yes	Yes	Yes	Yes
22nd May, 2012	Yes	Yes	Yes	Yes	Yes
1st June, 2012	Yes	Yes	Yes	Yes	Yes
18th June, 2012	Yes	Yes	Yes	Yes	Yes
3rd July, 2012	Yes	Yes	Yes	Yes	Yes
19th July, 2012	Yes	Yes	Yes	Yes	Yes
6th August 2012	Yes	Yes	Yes	Yes	Yes
23rd August 2012	Yes	Yes	Yes	Yes	Yes
6th September 2012	No	No	Yes	Yes	Yes
14th September, 2012	Yes	No	Yes	Yes	Yes
4th October, 2012	No	No	Yes	Yes	Yes
18th October, 2012	Yes	Yes	No	Yes	Yes
25th October, 2012	No	No	Yes	Yes	Yes
2nd November, 2012	Yes	Yes	Yes	Yes	Yes
19th November, 2012	Yes	Yes	Yes	Yes	No
6th December, 2012	No	Yes	Yes	Yes	No
13th December, 2012	Yes	Yes	Yes	Yes	No
8th January, 2013	Yes	No	Yes	Yes	Yes
16th January, 2013	Yes	Yes	Yes	Yes	Yes
31st January, 2013	Yes	Yes	Yes	Yes	Yes
7th February, 2013	Yes	Yes	Yes	Yes	Yes
22nd February, 2013	Yes	Yes	Yes	Yes	Yes
1st March, 2013	Yes	Yes	Yes	Yes	Yes
13th March, 2013	Yes	No	Yes	Yes	Yes
18th March, 2013	Yes	No	Yes	Yes	Yes

7. Corporate Governance Committee

A Corporate Governance Committee of the Board was constituted to advise the Board on Corporate Governance issues and practices. The Committee comprises Dr. B. Sen, Independent Director, who is the Chairman of the Committee and Mr. C. K. Dhanuka, Promoter-Director who is a member of the Committee. The Committee met once during the financial year 2012-13. The attendance of the Directors at the said meeting was:

Members of the Corporate Governance Committee	Corporate Governance Committee meeting held on
	5th November, 2012
Dr. B. Sen, Chairman, Corporate Governance Committee	Yes
Mr. C. K. Dhanuka	Yes

8. (i) General Body Meetings

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

YEAR	DATE & TIME	VENUE
2011–2012 (AGM)	2nd August 2012 10:30 A.M.	Kala Kunj (Kala Mandir Premises), 48, Shakespeare Sarani, Kolkata – 700017
2010–2011 (AGM)	4th August 2011 10:30 A.M.	Kala Kunj (Kala Mandir Premises), 48, Shakespeare Sarani, Kolkata – 700017
2009-2010 (AGM)	4th September 2010 10:30 A.M.	Kala Kunj (Kala Mandir Premises), 48, Shakespeare Sarani, Kolkata - 700017

The Special Resolutions were passed for the following items in the previous three Annual General Meetings:

AGM DATE	ITEMS PASSED UNDER SPECIAL RESOLUTION
2nd August 2012 (AGM)	None
4th August 2011 (AGM)	None
4th September 2010 (AGM)	Amendment of Articles of Association of the Company

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

8. (ii) Postal Ballot and postal ballot process:

During the last year, on 30th May, 2012, 8th August, 2012 and 5th December, 2012 an Ordinary Resolution was passed through postal ballot.

Person conducting the postal ballot exercise:

Mr. C. K. Dhanuka, Executive Chairman and Mr. K. V. Balan, Company Secretary were appointed as responsible persons for 30th May, 2012, 8th August, 2012 and 5th December, 2012 postal ballot voting process. Mr. K. C. Dhanuka, Practicing Company Secretary was appointed as scrutinizer for the said postal ballot processes. Mr. K. C. Dhanuka conducted the process and submitted it to the Executive Chairman.

Procedure followed:

The Company issued the postal ballot notice dated 20th April, 2012 seeking approval of the members for the following purposes:

1. Powers to the Board of Directors to sell or otherwise dispose of one tea estate of the Company situated at Assam.

The draft resolution together with the explanatory statement and the postal ballot form and self-addressed envelopes were dispatched on 27th April, 2012 to the members. Further, arrangement with NSDL had been made to offer e-voting facility (which was optional) as an alternative for the members to enable them to cast their votes electronically. The members were advised to carefully read the instructions printed on the postal ballot form and return the duly completed form in the attached self-addressed envelopes, so as to reach the scrutinizer on or before the close of business hours on 28th May, 2012. After due scrutiny of all the postal ballot forms received upto the close of business hours on 28th May, 2012, the scrutinizer Mr. K. C. Dhanuka, Practicing Company Secretary, submitted his report on 30th May, 2012. The results of the postal ballot were declared on 30th May, 2012. The date of declaration of result of the postal ballot was the date of passing of the ordinary resolutions. The results of the postal ballot were published in Business Standard (Kolkata) and Aajkal on Friday 1st June, 2012.

The Company issued the postal ballot notice dated 26th June, 2012 seeking approval of the members for the following purposes:

2. Powers to the Board of Directors to sell or otherwise dispose of one tea factory of the Company situated at Assam.

The draft resolution together with the explanatory statement and the postal ballot form and self-addressed envelopes were dispatched on 6th July, 2012 to the members. Further, arrangement with NSDL had been made to offer e-voting facility (which was optional) as an alternative for the members to enable them to cast their votes electronically. The members were advised to carefully read the instructions printed on the postal ballot form and return the duly completed form in the attached self-addressed envelopes, so as to reach the scrutinizer on or before the close of business hours on 6th August, 2012. After due scrutiny of all the postal ballot forms received upto the close of business hours on 6th August, 2012, the scrutinizer Mr. K. C. Dhanuka, Practicing Company Secretary, submitted his report on 8th August, 2012. The results of the postal ballot were declared on 8th August, 2012. The date of declaration of result of the postal ballot was the date of passing of the ordinary resolutions. The results of the postal ballot were published in Business Standard (Kolkata) and Aajkal on Tuesday 10th July, 2012.

The Company issued the postal ballot notice dated 18th October, 2012 seeking approval of the members for the following purposes:

3. Powers to the Board of Directors to sell or otherwise dispose of one tea factory of the Company situated at Assam.

The draft resolution together with the explanatory statement and the postal ballot form and self-addressed envelopes were dispatched on 2nd November, 2012 to the members. Further, arrangement with NSDL had been made to offer e-voting facility (which was optional) as an alternative for the members to enable them to cast their votes electronically. The members were advised to carefully read the instructions printed on the postal ballot form and return the duly completed form in the attached self-addressed envelopes, so as to reach the scrutinizer on or before the close of business hours on 3rd December, 2012. After due scrutiny of all the postal ballot forms received upto the close of business hours on 3rd December, 2012, the scrutinizer Mr. K. C. Dhanuka, Practicing Company Secretary, submitted his report on 5th December, 2012. The results of the postal ballot were declared on 5th December, 2012. The date of declaration of result of the postal ballot was the date of passing of the ordinary resolutions. The results of the postal ballot were published in Business Standard (Kolkata) and Aajkal on Wednesday 7th November, 2012.

8. (iii) Information about Directors seeking appointment/reappointment

Mr. J. P. Kundra, Mr. P. K. Khaitan and Dr. Basudeb Sen are retiring by rotation and being eligible offer themselves for reappointment. Their details are given in the Annexure to the Notice, under the head Information Pursuant to Clause 49 of the Listing Agreement.

9. Disclosures

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

   Transactions with related parties are disclosed in Note No. 42 of notes to the accounts in the Annual Report.

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

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

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

e) There are no pecuniary relationships or transactions with Non-Executive Independent Directors, other than those disclosed in this report.

CEO and CFO Certification

As per Clause 49 (v) of the Listing Agreement, the CEO i.e. the Managing Director of the Company 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 for financial reporting, accounting policies, among others.

10. Means of Communication

(a) Quarterly results/ Annual results/ Notices/ Other important announcements: The quarterly results/ annual results/ notices/ other important announcements are published in one English daily newspaper, circulating in the whole or substantially the whole of India and in one daily newspaper published in the Bengali language. These results are also posted in the Company's website www.dhunseritea.com. As per the SEBI requirements, quarterly and annual results as well as quarter-end shareholding pattern are also posted on the Stock Exchanges immediately after the same is approved by the Board.

(b) Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Directors' Report in the Annual Report. The Annual Report is displayed on the Company's website: www.dhunseritea.com

(c) Media Releases: Official news releases are given directly to the press and to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

(d) NSE Electronic Application Processing System (NEAPS): The NEAPS is a web based application designed by NSE for corporates. The Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS.

(e) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web based complaints redress system.

The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

(f) Website: The Company's website is www.dhunseritea.com. Press releases, quarterly and annual results as well as quarter-end shareholding pattern is posted at the end of every quarter on the website.

11. General Shareholder Information

a) Annual General Meeting

Date & Time	:	1st August, 2013 at 10:30 A.M
Venue	:	Kala Kunj, 48, Shakespeare Sarani, Kolkata-700017
b) Book Closure Date	:	19th July, 2013 to 1st August, 2013 (Both days inclusive)
c) Financial Year	:	April 2012 - March 2013
d) Dividend Payment Date	:	The dividend, if declared, shall be paid/credited on 5th / 6th August, 2013
e) Financial Calendar	:	2013 -14 (tentative)

Adoption of un-audited quarterly results and Annual Results	Adoption on
Unaudited 1st quarter results	Within middle of August, 2013
Unaudited 2nd quarter results	Within middle of November, 2013
Unaudited 3rd quarter results	Within middle of February, 2014
Audited 4th quarterly results and annual results	Within middle of May, 2014

f) Registrar and Share Transfer Agent

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

g) Investors' Correspondence

All queries of investors regarding your Company's shares in physical/demat form may be sent to the Registrar and Share Transfer Agent of the Company.

h) Listing on Stock Exchanges & Stock Code

Stock Exchanges	Code
Bombay Stock Exchange Limited	523736
National Stock Exchange of India Limited	DPTL
Demat ISIN No. for NSDL and CDSL	INE 477B01010

Listing fees for the financial year 2013-14 have been paid to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

i) Stock market price data and Performance in comparison to BSE Sensex for the year 2012-13.

Stock Market Data (equity shares of ₹ 10 each)						
	National Stock Exchange		Bombay Stock Exchange		BSE Sensex	
Month	High	Low	High	Low	High	Low
Apr-12	127.40	101.00	125.90	108.50	17,664.10	17,010.16
May-12	117.50	96.65	117.00	101.65	17,432.33	15,809.71
Jun-12	116.60	101.40	116.00	100.55	17,448.48	15,748.98
Jul-12	124.90	108.10	123.50	107.25	17,631.19	16,598.48
Aug-12	128.90	107.25	127.05	108.80	17,972.54	17,026.97
Sep-12	114.80	106.70	115.95	105.00	18,869.94	17,250.80
Oct-12	130.95	108.00	131.10	108.50	19,137.29	18,393.42
Nov-12	122.85	109.70	121.95	110.10	19,372.70	18,255.69
Dec-12	119.80	101.95	119.90	105.50	19,612.18	19,149.03
Jan-13	127.00	104.35	118.85	105.10	20,203.66	19,508.93
Feb-13	115.00	97.00	109.95	97.00	19,966.69	18,793.97
Mar-13	99.65	85.25	99.15	85.00	19,754.66	18,568.43

j) Share Transfer System

The Company's Registrar and Share Transfer Agent M/s Maheshwari Datamatics Pvt. Ltd. process the share transfers and after completion of all required formalities, return the shares in the normal course within 15 days from the date of receipt, if the documents are valid and complete in all respects.

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

k) Shareholding pattern and distribution of shares as on 31st March, 2013

Category	Shareholders		Shares	
	Numbers	% of shareholders	Numbers	% of shares
Upto 500	26618	94.95	21,91,253	6.26
501 - 1000	744	2.65	5,87,637	1.68
1001 - 2000	322	1.15	4,87,310	1.39
2001 - 3000	118	0.42	3,01,163	0.86
3001 - 4000	47	0.17	1,68,905	0.48
4001 - 5000	50	0.18	2,33,856	0.67
5001 - 10000	79	0.28	5,36,813	1.53
10001 and above	56	0.20	30,517,817	87.13
Total	**28034**	**100.00**	**3,50,24,754**	**100.00**

Shareholding Pattern as on 31st March, 2013

Sl.no.	Category	Total Number of Shares	Total Shareholding as a Percentage of Total Share Capital
1	Promoter/Promoters Group	2,35,31,082	67.18%
2	Mutual Funds/UTI	1,200	0.00%
3	Financial Institutions/Banks	2,26,982	0.65%
4	Insurance Companies	28,19,526	8.05%
5	Central/State Government(s)	1,175	0.00%
6	Bodies Corporate	17,12,344	4.89%
7	Indian Public	43,04,658	12.29%
8	NRI/Foreign National/OCB	24,27,787	6.93%
	TOTAL	**3,50,24,754**	**100.00%**

l) Dematerialisation of shares and liquidity

As on 31st March 2013, 98.67% of the Company's shares were held in dematerialised form and the rest in physical form. It needs to be said that the promoters own 67.18% of the Company's share and the entire promoters holding are in dematerialised form.

m) Insider trading regulation

The Company adopted a code of internal procedures for prevention of any unauthorised trading in the shares of the Company by insiders, as required under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2011. The Company Secretary is the Compliance Officer for this purpose.

n) Outstanding Foreign Currency Convertible Bonds (FCCBs)

Erstwhile South Asian Petrochem Limited (since merged with the Company) issued 200 Zero Percent Unsecured Foreign Currency Convertible Bonds (FCCBs) (considered as a non-monetary liability) of US$ 1,00,000 each aggregating to US$ 20 million in 2007-08. Of this 125 FCCBs of US$ 1,00,000 each aggregating to US$ 12,500,000 have already been bought back by erstwhile South Asian Petrochem Limited. Hence Bonds, amounting to US$ 7,500,000 which were outstanding, had been redeemed on 22nd January, 2013, at a premium of 36.86% on the principal amount, i.e. US$ 10,264,598.25 since they were not converted into equity shares.

o) Plant location

The Company's plants are located at its various tea estates viz. Dhunseri, Dilli, Bahadur, Santi, Khagorijan, Bettybari, Bahipookri, Hatijan and Orang in the state of Assam. The Company's packaging unit is located in Dhunseri Tea Estate in the state of Assam and at Jaipur.

The Company's Polyethylene Terephthalate (PET) Resin's Plant I is located at JL-126, Mouza – Basudevpur, PS Durgachak, Haldia, Dist.- Midnapore (East), Pin-721602, West Bengal and Plant II is located at JL-145, Mouza - Paranchak, PS Bhabanipur, Haldia, Dist.- Midnapore (East), West Bengal.

p) Address for investor correspondence

Shareholders can correspond with 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) Grievance Redressal Division / Compliance Officer:

Mr. K. V. Balan
Company Secretary and Compliance Officer
Dhunseri Petrochem & Tea Ltd.
Dhunseri House, 4A, Woodburn Park, Kolkata - 700 020
Phone – (033) 2283-6128 (6 lines), Fax – (033) 2280-1956
E-mail: investors@aspetindia.com

r) Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, a certificate from Auditor of the Company, M/s Lovelock & Lewes, confirming compliance with the conditions of Corporate Governance, is attached to the Directors' Report forming part of the Annual Report.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 28th May, 2013

C.K. DHANUKA
Executive Chairman

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Dhunseri Petrochem & Tea Limited

We have examined the compliance of conditions of Corporate Governance by Dhunseri Petrochem & Tea Limited, for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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 (as stipulated in Clause 49 of the Listing Agreement), 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 above mentioned Listing Agreements.

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 **Lovelock & Lewes**
Firm Registration No: 301056E
Chartered Accountants

P LAW
Partner
Membership No: 51790

Place: Kolkata
Date: May 28, 2013

FINANCIAL
SECTION

Independent Auditors' Report

To
The Members of
Dhunseri Petrochem & Tea Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Dhunseri Petrochem & Tea Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2013;
   (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
   (e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

P Law
Partner
Membership Number 51790

Kolkata
May 14, 2013

Annexure To Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Dhunseri Petrochem & Tea Limited on the financial statements for the year ended March 31, 2013.

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) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

ii. (a) The inventory [excluding stocks with third parties] has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. (a) The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d) /(f) and (g)] of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, works contract tax and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues including investor education and protection fund, employees' state insurance, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities except for dues in respect of income tax. The extent of the arrears of statutory dues in respect of income tax outstanding as at March 31, 2013, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates
Income tax Act, 1961	Agricultural Income Tax	0.02	Assessment Year 2008-09

(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, wealth tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at March 31, 2013 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where the dispute is pending
Finance Act 1944	Service Tax	0.18	June 2005 to March 2007 and April 2007 to February 2008	Commissioner (Appeals-1), Kolkata
Income Tax Act 1961	Income Tax	0.05	2004-05	Commissioner (Appeals-II),
Income Tax Act 1961	Income Tax	0.78	2008-09	Commissioner of Income Tax Appeals

x. The Company has no accumulated losses as at the end of the financial year, March 31, 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

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

xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.

xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

xv. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.

xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.

xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.

xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.

xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

P Law
Partner
Membership Number 51790

Kolkata
May 14, 2013

Balance Sheet as at 31st March, 2013

(₹ in crores)

	Notes	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	35.03	35.03
Reserves and surplus	3	754.51	711.58
Non-Current Liabilities			
Long-term borrowings	4	400.15	350.28
Deferred tax liabilities (Net)	5	84.17	72.37
Other Long-term liabilities	6	0.50	0.50
Long-term provisions	7	2.28	2.20
Current Liabilities			
Short-term borrowings	8	1,099.26	392.75
Trade payables	9	253.04	441.18
Other current liabilities	10	93.68	74.39
Short-term provisions	11	21.24	20.59
		2,743.86	**2,100.87**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	12	875.30	571.39
Intangible assets	13	1.48	2.75
Capital work-in-progress	14	117.59	350.41
Non-current investments	15	224.44	163.50
Long-term loans and advances	16	25.60	49.64
Other non-current assets	17	5.15	1.65
Current Assets			
Current investments	18	33.00	59.01
Inventories	19	462.66	227.39
Trade receivables	20	526.00	251.68
Cash and Bank balances	21	187.42	276.32
Short-term loans and advances	22	142.09	103.37
Other current assets	23	143.13	43.76
		2,743.86	**2,100.87**

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

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

For and on behalf of the Board

C. K. Dhanuka
Executive Chairman

M. Dhanuka
Vice Chairman & Managing Director

B. Chattopadhyay
Managing Director & CEO

J. P. Kundra
Director

P. Law
Partner
Membership No: 51790

R. K. Sharma
Executive Director (Finance)

V.Goel
CFO

K. V. Balan
Company Secretary & Compliance Officer

Place: Kolkata
Date: 14th May, 2013

Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in crores)

	Notes	Year ended 31st March, 2013	Year ended 31st March, 2012
Revenue from Operations (Gross)	27	2,576.88	2,110.05
Less: Excise duty		159.45	130.60
Revenue from operations (net)		2,417.43	1,979.45
Other income	28	35.41	25.08
Total Revenue		**2,452.84**	**2,004.53**
EXPENSES			
Cost of materials consumed	29	2,055.62	1,560.11
Purchases of stock -in-trade		-	11.82
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(151.70)	(24.29)
Employee benefits expense	31	61.70	54.31
Finance costs	32	43.81	41.22
Depreciation and amortisation expense	33	38.59	33.01
Other expenses	34	304.97	269.32
Total Expenses		**2,352.99**	**1,945.50**
Profit before tax		99.85	59.03
Tax expense:			
Current tax		13.06	7.19
Adjustment for earlier years		(1.95)	(2.91)
Deferred tax		11.80	5.26
Profit for the period		**76.94**	**49.49**
Earnings per equity share: [Nominal value per share:₹ 10/- each (Previous Year- ₹ 10/- each)]			
(1) Basic	41	21.97	14.13
(2) Diluted	41	21.70	13.46

The notes are 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

P. Law
Partner
Membership No: 51790

Place: Kolkata
Date: 14th May, 2013

For and on behalf of the Board

C. K. Dhanuka
Executive Chairman

M. Dhanuka
Vice Chairman & Managing Director

B. Chattopadhyay
Managing Director & CEO

J. P. Kundra
Director

R. K. Sharma
Executive Director (Finance)

V.Goel
CFO

K. V. Balan
Company Secretary & Compliance Officer

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act,1956 (the Act) and other relevant provisions of the Act.

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

(b) Fixed Assets

(i) Tangible Assets

Tangible assets are stated at cost/revalued amount net of accumulated depreciation and accumulated impairment losses if any.

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

(ii) Intangible Assets

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

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

(c) Depreciation and Amortisation

Leasehold land is amortised under the straight line method over the period of lease. Depreciation on assets is provided using the straight-line method at the rates and in the manner specified in Schedule XIV to the Act other than the following-

With effect from 1st April, 2007 computer and its accessories and mobile phones are depreciated over a period of 3 years and 2 years respectively as per straight line method. Assets costing below ₹ 5,000/- each are fully depreciated in the year of addition.

Intangible assets is amortised under the straight line method over the best estimate of its useful life as given below :

- Computer software is amortised over 5 years.
- Other Intangible assets are amortised over 10 years.

(d) Impairment

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

(e) Investments

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

(f) Inventories

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

(g) Employee Benefits

(i) Short term Employee Benefits:

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

(ii) Post Employment Benefits Plans:

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

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

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

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

(h) Foreign Currency Transactions

Transactions in foreign currency are recorded at daily exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the year-end at the exchange rate prevailing on the Balance Sheet date. Foreign currency non monetary items carried in terms of historical cost are reported using the exchange rate on the date of transactions. Exchange differences arising on restatement or settlement are recognised in the Statement of Profit and Loss except for exchange difference arising on reinstatement/settlement of long term foreign currency monetary items relating to acquisition of depreciable assets which are adjusted to the cost of the depreciable assets to be depreciated over the balance life of the assets and in other cases such differences are accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/liability with effect from 01.04.2011.

(i) Revenue Recognition

Sales are recognised upon transfer of substantial risk and rewards of ownership in the goods to the buyers as per the terms of the contract and net of trade discounts,sales tax and excise duties, where applicable.
Other items of the revenue are accounted for on accrual basis.

(j) Other Income

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
Dividend income is recognised when the right to receive dividend is established.
Other items are accounted for on accrual basis.

(k) Borrowing Costs

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

(l) Taxes on Income

Current tax in respect of taxable income for the year is recognised based on applicable tax rate and laws.
Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets in respect of carried forward losses and/or unabsorbed depreciation are recognised only when it is virtually certain and in

other cases where there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation. Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is legally enforceable right to set off assets and liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(m) Leases

Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss .

(n) Government Grants

(i) Government grants of the nature of promoters' contribution are credited to Captital Reserve.

(ii) Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book values.

(iii) Government grants related to revenue are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with their related costs.

(o) Provisions and Contingent Liabilities

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

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

(p) Derivative Instruments

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

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

Forward exchange contracts on acount of firm commitment/highly probable forecast transactions and other derivative instruments outstanding as at the year-end are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Anouncement of the Institute of Chartered Acountants of India on 'Accounting for Derivatives' issued in March,2008.

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

(q) Use of Estimates

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

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 2 SHARE CAPITAL

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Authorised		
351,220,000 (Previous Year 351,220,000) Equity Shares of ₹ 10/- each	351.22	351.22
Issued, Subscribed and Fully Paid up		
35,024,754 (Previous Year 35,024,754) Equity Shares of ₹ 10/- each	35.02	35.02
Add: Shares Forfeited	0.01	0.01
	35.03	**35.03**

(a) Reconciliation of number of shares (₹ in crores)

	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	35,024,754	35.03	35,024,754	35.03
Balance as at the end of the year	35,024,754	35.03	35,024,754	35.03

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

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

	As at 31st March, 2013	As at 31st March, 2012
Dhunseri Investments Limited	12,438,778	11,988,252
	35.51%	34.23%
Naga Dhunseri Group Limited	3,078,759	3,078,759
	8.79%	8.79%
Yves Lombard Asset Management A G	3,795,054	3,795,054
	10.84%	10.84%
International Finance Corporation	2,308,641	2,308,641
	6.59%	6.59%

(d) Shares allotted as fully paid pursuant to contracts without payment being received in cash (during five years immediately preceding 31st March,2013)

(i) During the year 2010-11- 23,313,859 Equity Shares of ₹ 10/- each were issued as fully paid up, issued pursuant to the scheme of arrangement without payment being received in cash.

(ii) During the year 2008-09- 4,727,095 Equity Shares of ₹ 10/- each were issued as fully paid up, issued pursuant to the scheme of amalgamation without payment being received in cash.

NOTE 3 RESERVES AND SURPLUS (₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Capital Reserve	**2.62**	**2.62**
Capital Redemption Reserve	**0.12**	**0.12**
Securities Premium Account		
Balance as at the beginning of the Year	31.41	31.41
Less: Premium on redemption of Zero Percent Foreign Currency Convertible Bonds (Note 37)	14.80	-
Balance as at the end of the year	16.61	31.41
General Reserve #		
Balance as at the beginning of the year	602.18	597.23
Add: Transfer from Surplus in Statement of Profit and Loss	7.70	4.95
Balance as at the end of the year	609.88	602.18
Foreign Currency Monetary Item Translation Difference Account [Refer note 1(h)]		
Balance as at the beginning of the year	-	-
Add : Arisen during the year	(0.89)	-
Balance as at the end of the year	(0.89)	-
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	75.25	49.03
Add : Profit for the year	76.94	49.49
Less : Appropriations		
Transfer to General reserve	7.70	4.95
Proposed dividend on Equity Share for the year	15.76	15.76
Dividend Distribution Tax on Proposed Dividend	2.56	2.56
Balance as at the end of the year	126.17	75.25
Total	**754.51**	**711.58**

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

NOTE 4 LONG-TERM BORROWINGS

Secured		
Term Loans		
From banks [Refer (a) to (g) below]	399.30	349.87
From other parties [Refer (g) below]	0.85	0.41
	400.15	**350.28**

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 4 LONG-TERM BORROWINGS *(contd.)*

Sl no	Nature of Security	Terms of Repayment
(a)	Term Loan from Banks amounting to ₹ 277.38 crores (Previous Year- ₹ 260.89 crores) is secured/to be secured by: i) joint mortgage on pari-passu first charge basis on all the immovable properties of the new PET plant, situated at Mouza Basudevpur, JL No. 126, PS Durgachak & Mouza Paranchak, JL No. 145, PS Bhabanipur, Haldia, West Bengal together with all the buildings and structures thereon including fixed plant and machinery and fixtures and fittings permanently fastened to the earth or fastened to anything attached to the earth. ii) Pari-passu first charge by way of hypothecation on all movable fixed assets of petrochem division for the new PET plant.	Repayable in 25 quarterly installments commencing after the quarter ending 31.12.2013.
(b)	i) Term Loan from Banks amounting to ₹ 91.52 crores (Previous Year- ₹ 38.05 crores) is secured/to be secured by joint mortgage on pari-passu first charge basis on all the immovable properties of the existing PET plant ,situated at JL 126 Mouza Basudevpur, P.S. Durgachak, Haldia, district Midnapore(East) in the State of West Bengal together with all the buildings and structures thereon including fixed plant and machinery and fixtures and fittings permanently fastened to the earth or fastened to anything attached to the earth. (ii) First pari passu charge by way of hypothecation on all movable fixed assets of petrochem division for the existing PET plant .	Loan from Bank of Baroda , London repayable in 10 half yearly installments commencing after quarter ended on 31.03.2011 and Loan from DBS , Singapore repayable in 25 quarterly installments commencing after the quarter ended 31.12.2013.
(c)	Term loan from Banks amounting to ₹ 16.32 crores (Previous year nil) is secured by an exclusive charge by way of hypothecation on the plant and machinery and other fixed assets to be acquired out of the proceeds of the Facility in connection with the project undertaken or to be undertaken by the Co. in relation to the modernization of the Co.'s existing PET plant situated at JL 126 Mouza Basudevpur, P.S. Durgachak, Haldia, District Midnapore(East) in the State of West Bengal to produce speciality grade Barrier Resins using M&G's state of the art BicoPET Technology.	Repayable in 20 quarterly installments commencing from the quarter ended 30.09.2014.
(d)	Term Loan from Banks amounting to ₹ 43.49 crores (Previous year ₹ 45 crores) is secured by way of first charge on the immovable property of the Company viz. Land being no. IT15A within notified SEZ in JL No. 35 in Mouza Gangapur at KITP Basanti Highway, within the jurisdiction of Kolkata Leather Complex police station and to be secured by second charge on the fixed assets of the tea division of the Company.	Repayable in 12 quarterly installments commencing from the last quarter of the year ending on 31.03.2013.
(e)	Term Loan from Banks amounting to ₹ 1.15 crores (Previous Year ₹ 5.92 crores) is secured/to be secured by way of first pari-passu charge on certain Fixed Assets of the tea division of the Company (including Capital WIP & equitable mortgage on the tea estates) along with the working capital bankers, second charge on certain current assets of the Company's tea division and further by any other security as may be stipulated by the Bank.	Repayable in 12 quarterly installments commencing from second quarter of the year ended 31.03.2011
(f)	Term Loan from Banks amounting to ₹ 12 crores (Previous Year ₹ 16 crores) is secured/to be secured by way of first pari-passu charge on certain Fixed Assets of the tea division of the company (including Capital WIP & equitable mortgage on the tea estates) alongwith the working capital bankers and further by any other security as may be stipulated by the Bank.	Repayable in 19 quarterly installments commencing from second quarter of the year ended 31.03.2012.
(g)	Term Loans (Auto Loans) from Bank and other parties amounting to ₹ 2.22 crores (Previous Year-₹ 1.95 crores) are Secured by Hypothecation of respective vehicles.	Equated Monthly Installments beginning from the month subsequent to taking of the Loans.
(h)	Figures indicated in (a) to (g) above includes current maturities of respective borrowings which have been presented in Note 10.	

NOTE 5 DEFERRED TAX LIABILITIES (NET)

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Deferred Tax Liability		
- Depreciation	85.76	73.53
	85.76	73.53
Deferred Tax Asset		
- Items allowable for tax purposes on payment	1.59	1.16
	1.59	1.16
Net Deferred Tax Liabilities	**84.17**	**72.37**

NOTE 6 OTHER LONG-TERM LIABILITIES

Security Deposits	0.50	0.50
	0.50	**0.50**

NOTE 7 LONG-TERM PROVISIONS

Provision for employee benefits.		
Provision for Gratuity	0.79	0.98
Provision for Leave Encashment	1.49	1.22
	2.28	**2.20**

NOTE 8 SHORT-TERM BORROWINGS

Secured		
Loan Repayable on demand from Banks [Refer (a) below] [includes ₹ 266.09 crores (Previous Year ₹ 103.76 crores) on account of bills discounted].	840.39	240.94
Other Loans from Bank [Refer (a) below]	95.75	-
	936.14	240.94
Unsecured		
Loan Repayable on demand from Banks [includes ₹ 57.86 crores (Previous Year ₹ 79.14 crores) on account of bills discounted.]	127.24	82.09
Other Loans from Banks	35.88	40.23
Bonds/Debentures		
Zero Percent Foreign Currency Convertible Bonds	-	29.49
	163.12	151.81
	1,099.26	**392.75**

Nature of Security

(a) Loan Repayable on demand/Other Loans from Banks

(i) To the extent of ₹ 820.59 crores (Previous Year ₹ 155.15 crores):

First charge by way of hypothecation ranking pari-passu over all present and future inventories, consumables, stores and spares, book-debts and all other movables of petrochem division.

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 8 SHORT-TERM BORROWINGS *(contd.)*

Secured/ to be secured by joint mortgage & hypothecation on pari-passu second charge basis on all the immovable properties & movable fixed assets respectively of the existing and new PET plant situated at Mouza Basudevpur, JL No. 126, PS Durgachak & Mouza Paranchak, JL No. 145, PS Bhabanipur, Haldia, West Bengal together with all the buildings and structures thereon including fixed plant and machinery and fixtures and fittings permanently fastened to the earth or fastened to anything attached to the earth.

(ii) **To the extent of ₹19.80 crores (Previous Year ₹ 25.10 crores):**
Secured by a first hypothecation charge on the current assets of the Company's tea division namely, stocks of raw materials, stock-in-process, semi finished and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other movables, both present and future wherever situated, first hypothecation charge on the movable fixed assets of the tea division of the Company and equitable mortgage over the immovable properties by deposit of title deeds of tea estates and personal guarantee of the promoter director of the Company and to be secured by second pari-passu charge on the immovable property of the Company viz. Land being no. IT15A within notified SEZ in JL No. 35 in Mouza Gangapur at KITP Basanti Highway, within the jurisdiction of Kolkata Leather Complex police station.

(iii) **To the extent of ₹ 95.75 crores (Previous Year ₹ 60.69 crores):**
Secured by way of lien against fixed deposit with bank.

NOTE 9 TRADE PAYABLES

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Total outstanding dues of Micro and Small Enterprises (Refer Note 50)	-	0.07
Total outstanding dues of creditors other than Micro and Small Enterprises	253.04	441.11
	253.04	**441.18**

NOTE 10 OTHER CURRENT LIABILITIES

Current maturities of Long-term debt (Refer Note 4)	43.93	17.53
Interest accrued but not due on borrowings	3.30	3.17
Unpaid Dividends [Refer (a) below]	0.55	0.47
Advance from Customers/Agents	19.75	13.08
Employee benefits	7.97	7.36
Liability for Capital goods	6.64	11.90
Statutory Dues	11.26	7.97
Liability against purchase of shares	-	12.84
Mark to Market Loss on Forward/Derivative Contracts	0.28	0.07
	93.68	**74.39**

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

NOTE 11 SHORT-TERM PROVISIONS

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Provision for Employee Benefits		
Provision for Gratuity	2.74	2.18
Provision for Leave Encashment	0.18	0.09
	2.92	2.27
Others		
Provision for Proposed Dividend	15.76	15.76
Provision for Tax on Dividend	2.56	2.56
	18.32	18.32
	21.24	**20.59**

NOTE 12 TANGIBLE ASSETS

(₹ in crores)

Particulars	Gross Block					Depreciation				Net Block	
	As at 31.03.2012	Additions during the year	Disposals during the year	Other Adjustments during the year	As at 31.03.2013	As at 31.03.2012	For the year	Disposals during the year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Leasehold Land	16.17	2.14	0.87	-	17.44	0.76	0.18	-	0.94	16.50	15.41
Freehold Land	5.06	-	0.14	-	4.92	-	-	-	-	4.92	5.06
Land & Estate Development	104.16	0.04	9.88	-	94.32	0.08	-	-	0.08	94.24	104.08
Buildings	127.69	73.73	12.04	15.13	204.51	20.90	3.70	0.77	23.83	180.68	106.79
Plant and Equipment	530.27	232.01	12.18	50.40	800.50	202.76	31.77	0.56	233.97	566.53	327.51
Office Equipment	1.70	0.17	0.02	-	1.85	0.66	0.11	-	0.77	1.08	1.04
Furniture and Fixtures	6.95	0.47	0.29	-	7.13	1.99	0.39	0.09	2.29	4.84	4.96
Vehicles	11.47	1.64	1.26	-	11.85	4.93	0.91	0.50	5.34	6.51	6.54
Total	**803.47**	**310.20**	**36.68**	**65.53**	**1,142.52**	**232.08**	**37.06**	**1.92**	**267.22**	**875.30**	**571.39**
Previous Year	770.30	33.64	9.07	8.60	803.47	200.60	30.66	(0.82)	232.08	571.39	

(a) Quality upgradation subsidy amounting to ₹ 0.10 crore (Previous year ₹ 0.55 crore) received during the year under Tea Board Quality upgradation & product diversification scheme has been adjusted against the cost of the respective assets.

(b) The Assam Government has acquired in total 793.05 hectares of land under the Assam Fixation of Ceiling on Land Holdings Act , 1956 and P.W.D. has acquired 4 hectares of land for construction of public road. Pending the receipt/finalisation of compensation money from the authorities in respect of the above acquisition, no adjustment in this regard has been made in these financial statements.

(c) Disposals column includes Gross Block and Accumulated Depreciation of Assets written off worth ₹ Nil (Previous Year ₹ 0.04 crore) & ₹ Nil (Previous Year ₹ 0.03 crore) respectively.

(d) Gross Block - Additions and Depreciation - Disposal column includes ₹ Nil and ₹ Nil (Previous Year ₹ 4.84 crores and ₹ 1.95 crores respectively) respectively on account of assets reinstated/restored subsequent to Fire at Haldia Plant on 14.03.2011.

(e) Other adjustment column includes adjustments on account of exchange difference ₹ 48.00 crores (Previous Year ₹ 8.60 crores) and borrowing cost ₹ 17.53 crores (Previous year ₹ Nil)

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 13 INTANGIBLE ASSETS

(₹ in crores)

Particulars	Gross Block				Amortisation			Net Block	
	As at 31.03.2012	Additions during the year	Other Adjustments during the year	As at 31.03.2013	As at 31.03.2012	For the year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Computer software	0.76	0.26	-	1.02	0.66	0.03	0.69	0.33	0.10
Technical Know-how	22.85	-	-	22.85	20.20	1.50	21.70	1.15	2.65
Total	**23.61**	**0.26**	-	**23.87**	**20.86**	**1.53**	**22.39**	**1.48**	**2.75**
Previous Year	23.39	0.06	0.16	23.61	18.51	2.35	20.86	2.75	

(a) Other Adjustments during the year column includes adjustments on account of exchange difference ₹ Nil (Previous Year ₹ 0.16 crore)

NOTE 14 CAPITAL WORK IN PROGRESS

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Capital work-in-progress	117.59	350.41
Total	**117.59**	**350.41**

Capital Work in Progress includes:	**2012-13**	**2011-12**
(i) Borrowing Cost capitalized during the year [net of interest income of ₹ 0.90 crore (Previous Year ₹ 3.63 crores)]	7.81	3.02
Cumulative as on year end	0.91	10.63
(ii) Loss/(Gains) on foreign currency transactions and translations capitalized	(0.25)	29.09
(iii) Pre Operative/Trial Run Expenses (net of Income) included in Capital Work in progress and capitalised during the year		
Cost of materials consumed	136.57	-
Power & Fuel	13.46	0.46
Consumption of stores and spare parts including packing material	3.45	-
Salaries and Wages	1.81	0.72
Contribution to provident and other fund	0.07	0.04
Staff welfare expenses	0.14	0.01
Repairs & Maintenance - Plant & Machinery	0.07	-
Freight, delivery and shipping charges	6.52	-
Brokerage and commission on sales	0.98	-
Net gain/loss on foreign currency transactions/translations	0.19	-
Insurance	0.45	0.29
Miscellaneous Expenses	2.39	0.68
(A) Total Expenditure	**166.10**	**2.20**
Less :		
Sale of Products	150.75	-
Other Operating Revenues	1.52	-
(B) Total Income	**152.27**	-
(C) Pre Operative/Trial Run Expenses (net of Income) (A-B)	**13.83**	**2.20**

NOTE 15 NON CURRENT INVESTMENTS (₹ in crores)

	Face Value	No. of Shares /Units		Book Value	
		As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Trade Investments (valued at cost)					
In Equity Instrument - Unquoted , Fully Paid up					
A-Investments in subsidiaries:					
Dhunseri Petrochem & Tea Pte Ltd.	USD 1*	11,180,816	1,000	61.97	- @
Egyptian Indian Polyester Co. SAE	USD 100	336,000#	336,000#	156.62	156.62
Dowamara Tea Co Pvt Limited	₹ 10	176,650	176,650	0.97	0.97
Sub Total				**219.56**	**157.59**
B-Others					
Tectura Corporation	Not Applicable	-	104,096	-	0.55
Haldia Integrated Development Agency Limited	₹ 10	10,000	10,000	0.01	0.01
Sub Total				**0.01**	**0.56**
Other investments (valued at cost unless stated otherwise)					
In Equity Shares - Quoted , Fully Paid up					
Gujrat Fluoro Chemicals Ltd.	₹ 1	110,000	93,740	3.15	1.46
Microsec Financial Services Limited	₹ 10	1,176	1,176	0.01	0.01
Simplex Projects Limited	₹ 10	-	41,008	-	1.22
The Andhra Pradesh Paper Mills Ltd	₹ 10	98,877	98,877	1.71	1.71
West Coast Paper Mill Ltd	₹ 2	-	196,823	-	0.95
[Net of provision for other than temporary diminution aggregating to ₹ Nil (Previous Year ₹ 0.43 crore)]					
Sub Total				**4.87**	**5.35**
Total				**224.44**	**163.50**
Aggregate of Quoted Investments (Book Value)				4.87	5.35
Aggregate of Quoted Investments (Market Value)				5.20	7.88
Aggregate of Unquoted Investments (Book Value)				219.57	158.15
Aggregate provision for diminution in value of investments				-	0.43
# Pledged with bank against financial assistance taken by Egyptian Indian Polyester Co. SAE					
* Face Value of Shares was SGD 1 in the previous year.					
@ Amount is below the rounding off norm adopted by the Company.					

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 16 LONG-TERM LOANS AND ADVANCES

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Capital Advances	16.82	40.19
Security Deposits		
With Related Party (Refer Note 42)	1.28	1.28
With Others	2.06	2.29
Loans and advances to subsidiary (Refer Note 42)	5.00	5.00
Other Loans		
To Staff	0.17	0.06
To Bodies Corporate	0.27	0.82
	25.60	**49.64**

NOTE 17 OTHER NON-CURRENT ASSETS

Fixed Deposits with bank (with maturity more than 12 months)	0.60	-
Margin Money with bank (with maturity more than 12 months)	0.19	-
VAT Refund Receivable	4.36	1.65
	5.15	**1.65**

NOTE 18 CURRENT INVESTMENTS

(₹ in crores)

	Face Value	No. of Shares /Units		Book Value	
		As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Trade Investments (At cost)					
Investments in Equity Instrument					
Tectura Corporation [Refer (b) below]	Not Applicable	268	-	- @	-
Current Investments other than Trade (Unquoted)					
(Valued at cost or market value whichever is lower)					
Investments in Mutual Funds					
HDFC FMP March (2) - Growth Series XXI*-INF179K01QE0	₹ 10	33,000,000	-	33.00	-
Birla Sun Life Fixed Term Plan Series CX Growth [Refer (b) below]	₹ 10	-	30,000,000	-	30.00
HDFC Cash Management Fund Saving Plan - Growth	₹ 10	-	13,117,737	-	29.01
				33.00	**59.01**
(a) Aggregate of Unquoted Investments (Book Value)				33.00	59.01
(b) Represents current portion of Non Current Investments					
@ Amount is below the rounding off norm adopted by the Company.					

NOTE 19 INVENTORIES (At lower of cost and net realisable value) (₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Raw materials [includes in transit: ₹ 57.51 crores (Previous year ₹ 9.60 crores)]	209.86	118.08
Work-in-progress-[Refer (a) below]	4.59	2.04
Finished goods [includes in transit : ₹ 56.41 crores (Previous year ₹ 6.48 crores)] [Refer (b) below]	202.20	49.50
Stock-in-trade (i.e. Traded goods) [Refer (c) below]	8.10	11.65
Stores and spares including packing materials [includes in transit ₹ 0.40 crore (Previous year ₹ 7.73 crore)]	37.91	46.12
	462.66	**227.39**
(a) Represents Polyester Chips	4.59	2.04
(b) Comprises:		
Polyester Chips	191.60	44.58
Tea	10.60	4.92
	202.20	**49.50**
(c) Represents Pet Barrier Resins	8.10	11.65

NOTE 20 TRADE RECEIVABLES

Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	1.07	0.33
Other debts [Includes ₹ 313.97 crores (Previous Year ₹ 182.90 crores) on account of bills discounted with banks]	524.93	251.35
	526.00	**251.68**

NOTE 21 CASH AND BANK BALANCES

Cash and cash equivalents		
Balances with Banks		
Current Accounts	22.12	21.14
Cash Credit Accounts	19.07	9.99
Fixed Deposits (with maturity less than 3 months)	1.79	86.74
Unpaid Dividend Account [Refer (a) below]	0.55	0.47
Cheques,Drafts on hand	0.40	2.65
Cash on hand	0.28	0.24
	44.21	**121.23**
Others bank balances		
Fixed Deposits (with maturity greater than 3 months but less than 12 months) [Refer (b) below]	129.90	136.66
Margin Money (with maturity greater than 3 months but less than 12 months)	13.31	18.43
	143.21	**155.09**
	187.42	**276.32**

(a) Earmarked for payment of dividend.

(b) Includes ₹ 106.68 crores (Previous Year ₹ 60.69 crores) under lien with bank.

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 22 SHORT-TERM LOANS AND ADVANCES

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Loans and advances to related parties (Refer Notes 38 and 42)	5.59	3.63
Deposits with Government Authorities and Others	84.88	45.72
Deposit with National Bank for Agriculture and Rural Development	1.18	8.86
Others:		
Loans to Staff	0.54	0.20
Advance to Suppliers/Service Providers (Refer Note 38)	39.65	38.75
For Nursery Plantation	1.02	0.80
Prepaid Expenses	3.87	1.55
Advance Tax [net of provision ₹ 59.42 crores (Previous Year ₹ 67.10 crores)]	5.36	3.86
	142.09	**103.37**

NOTE 23 OTHER CURRENT ASSETS

Unsecured, considered good		
Interest accrued on Deposits	0.79	0.91
Incentives receivable	48.84	15.76
Excise Duty Refundable	85.78	11.53
Insurance Claim receivable	-	9.98
Vat Refund Receivable	1.95	4.08
Receivables against sale of assets	5.77	1.50
	143.13	**43.76**

NOTE 24 CONTINGENT LIABILITIES

a) Claims against the Company not acknowledged as debts		
i) Customs Demand - matter under dispute	- @	1.49
ii) Service Tax Demand - matter under dispute	0.18	0.18
iii) Income Tax-matter under dispute	0.83	0.83
It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.		
b) Standby Letters of Credit issued in connection with loan taken by Dhunseri Petrochem & Tea Pte Limited, a wholly owned subsidiary, from a bank.	71.79	-
c) The Company does not expect any reimbursements in respect of the above contingent liabilities.		

@ Amount is below the rounding off norm adopted by the Company.

NOTE 25 CAPITAL AND OTHER COMMITMENTS

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Capital commitments		
Estimated value of contracts on capital account remaining to be executed and not provided for	3.35	53.71
Other commitments		
The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at Zero rates of duty on an undertaking to fulfill quantified exports in the next six years.	-	28.08

NOTE 26 OTHER CURRENT ASSETS

On Equity Shares of ₹ 10 each		
(i) Amount of dividend proposed for the year	15.76	15.76
(ii) Dividend per Equity Share (₹)	4.50	4.50

NOTE 27 REVENUE FROM OPERATIONS

(₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
Sale of Products		
Finished Goods:		
Tea	106.96	111.23
Packet Tea	54.65	45.98
Polyester Chips	2,347.48	1,916.19
Traded Goods:		
Pet Barrier Resins	3.93	0.01
Other Operating Revenues		
Scrap Sales	0.23	1.21
Export Incentive	59.56	32.69
Other Incentives & Subsidies	4.07	2.74
Gross Revenue	**2,576.88**	**2,110.05**
Less: Excise Duty	159.45	130.60
Net Revenue	**2,417.43**	**1,979.45**

NOTE 28 OTHER INCOME

Interest Income	14.27	17.94
Dividend Income from Long Term Investment	0.03	0.36
Profit on Sale of Current Investment	4.42	0.26
Profit on Sale of Long Term Investment	0.57	0.42
Profit on Sale of Fixed Assets	12.44	-
Service Charges Received	0.12	1.47
Liabilities no longer required written back	1.00	0.05
Insurance Claim	1.30	0.12
Interest Subsidy	-	2.64
Miscellaneous Income	1.26	1.82
	35.41	**25.08**

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 29 COST OF MATERIALS CONSUMED

(₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
Raw Materials Consumed		
Opening inventory	118.08	123.64
Add: Purchase during the year	2,147.40	1,554.55
	2,265.48	1,678.19
Less: Closing inventory	209.86	118.08
	2,055.62	**1,560.11**

NOTE 30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Increase)/Decrease in Stock		
Stock at the end of year		
Finished Goods	202.20	49.50
Work-in-Progress	4.59	2.04
Stock-in-Trade	8.10	11.65
	214.89	63.19
Stock at the beginning of year		
Finished Goods	49.50	36.79
Work-in-Progress	2.04	2.11
Stock-in-Trade	11.65	-
	63.19	38.90
Net (Increase)/Decrease in Stocks	**(151.70)**	**(24.29)**

NOTE 31 EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	51.62	45.31
Contribution to provident and other funds	3.88	3.13
Gratuity	2.19	1.76
Staff welfare expenses	4.01	4.11
	61.70	**54.31**

NOTE 32 FINANCE COSTS

Interest expense	33.89	31.16
Other borrowing costs	9.92	10.06
	43.81	**41.22**

NOTE 33 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on Tangible assets	37.06	30.66
Amortisation on Intangible assets	1.53	2.35
	38.59	**33.01**

NOTE 34 OTHER EXPENSES

(₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
Power & Fuel	61.54	62.98
Consumption of stores and spare parts including packing material	26.77	22.74
Freight, delivery and shipping charges	84.54	60.49
Brokerage and commission on sales	18.47	21.28
Loss on sale of Fixed Assets	-	0.09
Net gain/loss on foreign currency transactions/translations	45.24	33.54
Claim receivable written off (Refer Note 35)	2.93	10.24
Rent	1.76	1.45
Repairs and Maintenance		
Plant & Machinery	9.61	10.71
Buildings	0.94	1.05
Others	4.73	5.64
Insurance	4.95	4.11
Rates and Taxes	2.53	1.06
Provision for diminution in the value of long term investments	-	0.43
Assets Written off	-	0.01
Bad Debts/Advances Written off	0.40	-
Inventory of Raw Materials Written Off	0.93	-
Cess on Tea	1.57	1.77
Excise Duty	2.33	1.83
Miscellaneous Expenses [Refer Note (a) below]	35.73	29.90
	304.97	**269.32**
(a) Includes Auditors' remuneration paid/payable for the year as follows:		
Audit Fees	0.42	0.35
Tax Audit Fees	0.03	0.03
For other matters (Certificates, etc)	0.20	0.16
Reimbursement of expenses [excluding service tax ₹ 0.07 crore (Previous Year ₹ 0.06 crore)]	0.01	0.01
	0.66	**0.55**

NOTE 35 INSURANCE CLAIM

A major fire broke out in the raw material store at the Company's Haldia plant on 14.03.2011 leading to destruction/ damage of certain fixed assets, spares, raw materials and packing materials. The items damaged being insured, insurance claims were filed by the Company. The impact of all related losses due to fire had been duly accounted for and an equivalent amount of ₹ 64.63 crores recognised as insurance claim receivable during the year 2010-11. After partial settlement of the claim in the previous year and giving effect to related adjustments an amount of ₹ 9.82 crores was receivable at the begining of the year. Upon final settlement of the claim during the year the Company received ₹ 7.52 crores (including ₹ 0.63 crore for loss of profit which has been recognised in the Statement of Profit and Loss during the year under the head ''Other income'') from the insurance company and charged off ₹ 2.93 crores in the Statement of Profit and Loss on account of short settlement of claim by the insurance company (included under the head ''Other expenses'').

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 36 REVALUATION OF FIXED ASSETS

All fixed assets other than Computers and Furniture & Fixtures located at ten tea estates (Previous year eleven tea estates) and nine factories (Previous year eight factories) in the state of Assam had been revalued by M/s S. R. Batliboi Consultants Pvt. Limited, Registered Valuer, on 1st April, 2009, to ₹ 183.19 crores (Previous Year ₹ 200.47 crores) resulting in increase in net book value of assets by ₹ 149.90 crores (Prevous Year ₹ 162.50 crores) which had been credited to the Revaluation Reserve.The Revaluation Reserve has been fully adjusted in earlier years.

Buildings, Plant & Machinery and Vehicles were revalued at the Net Replacement Value method whereas Freehold Land, Leasehold Land and Land & Estate Development were revalued at Plantation Value method.

NOTE 37 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)

The erstwhile South Asian Petrochem Limited (since merged with Dhunseri Petrochem & Tea Limited) had issued 200 Zero Percent Unsecured Foreign Currency Convertible Bonds (FCCB) of USD 100,000 each in the year 2007-08. Out of these FCCBs, bonds amounting to USD 75,00,000 which were outstanding at the end of the previous year have been fully redeemed at 136.86% of their principal amount during the year. The premium on redemption amounting to ₹ 14.80 crores (Previous Year ₹ Nil) has been adjusted with Securities Premium Account. (Refer Note 3)

NOTE 38 LOANS AND ADVANCES

(a) Loans and advances to related parties under "Short term loans and advances" (Note 22) includes amount due from-
   (i) A Private Limited Company in which Director of the Company is a director - ₹ 0.02 crore (Previous Year: ₹ - @).
   (ii) A Subsidiary Company amounting to ₹ 5.57 crores (Previous Year ₹ 3.63 crores).

(b) Advance to Suppliers/Service Providers under "Short term loans and advances" (Note 22) includes amount due from-
   (i) A firm in which Director of the Company is partner- ₹ - @ (Previous Year: ₹ 0.01 crore).

@ Amount is below the rounding off norm adopted by the Company.

NOTE 39 EMPLOYEE BENEFIT OBLIGATION

I. Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Funds/Life Insurance Corporation of India (LICI) 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. Vesting occurs upon completion of five years of service. Liability with regard to the aforesaid gratuity plan is determined by actuarial valuation as set out in Note 1(g)(ii) above, based upon which, the Company makes annual contributions for Gratuity to a trust and LICI.

(a) Change in Defined Benefit Obligation during the Year ended March 31,2013 (₹ in crores)

	31st March, 2013		31st March, 2012	
	Funded	Unfunded	Funded	Unfunded
Present value of Defined Benefit Obligation as at April 1,2012	11.98*	-	9.82	0.82
Current Service Cost	0.74	-	0.63	0.17
Interest Cost	1.09	-	0.83	0.06
Benefits Paid	(2.11)	-	(0.71)	(0.17)
Actuarial (gain)/loss on Obligation	1.18	-	0.39	0.14
Present value of Defined Benefit Obligation as at March 31, 2013	**12.88**	-	**10.96**	**1.02**

* Includes obligation transferred from Unfunded part of the obligation as on 31-3-2012 as the same is being funded from the current year.

NOTE 39 EMPLOYEE BENEFIT OBLIGATION *(contd.)*

(b) Change in Fair Value of Assets during the year March 31, 2013 (₹ in crores)

	31st March, 2013		31st March, 2012	
	Funded	Unfunded	Funded	Unfunded
Fair Value of Plan Assets as at April 1, 2012	8.82	-	8.48	-
Expected Return on Plan Assets	0.75	-	0.67	-
Contributions Made	1.82	-	0.58	-
Benefits Paid	(2.11)	-	(0.71)	-
Actuarial gain / (loss) on Plan Assets	0.07	-	(0.20)	-
Fair value of Plan Assets as at March 31, 2013	**9.35**	-	**8.82**	-

(c) Net(Asset)/Liability recognised in the Balance Sheet as at March 31,2013

	31st March, 2013		31st March, 2012	
	Funded	Unfunded	Funded	Unfunded
Present Value of the Defined Benefit Obligation	12.88	-	10.96	1.02
Fair value of Plan assets	9.35	-	8.82	-
Net(Asset)/Liability recognised in the Balance Sheet	**3.53**	-	**2.14**	**1.02**

(d) Expense recognised in the Statement of Profit and Loss for the year ended March 31, 2013

	31st March, 2013		31st March, 2012	
	Funded	Unfunded	Funded	Unfunded
Current Service Cost	0.74	-	0.63	0.17
Interest Cost	1.09	-	0.83	0.06
Expected return on plan assets	(0.75)	-	(0.66)	-
Net actuarial (gain)/loss recognised during the year	1.11	-	0.59	0.14
Total Expense recognised in the Statement of Profit and Loss (in Note 31- Employee benefits expense under the head " Gratuity")	**2.19**	-	**1.39**	**0.37**

(e) Major Categories of Plan Assets as a percentage of total plans as at March 31, 2013 (₹ in crores)

	31st March, 2013	31st March, 2012
Investment with Private Insurance Companies	26.84%	43.04%
Administered by Life Insurance Corporation of India	27.78%	30.80%
Special Deposit and Bonds	10.90%	11.67%
Others Including Bank Balance	34.48%	14.49%
	100.00%	**100.00%**

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 39 EMPLOYEE BENEFIT OBLIGATION *(contd.)*

(f) Experience adjustments (₹ in crores)

	31st March, 2013		31st March, 2012		31st March, 2011		31st March, 2010		31st March, 2009	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
Defined Benefit Obligation as at March 31,2013	12.88	-	10.96	1.02	9.82	0.82	10.01	0.52	8.38	0.27
Fair value of Plan Assets	9.35	-	8.82	-	8.48	-	7.41	-	6.17	-
Status Surplus/(Deficit)	(3.53)	-	(2.14)	(1.02)	(1.34)	(0.82)	(2.61)	(0.52)	(2.20)	(0.27)
Experience adjustments on Plan Liabilities Gain/(Loss)	(0.87)	-	(0.39)	(0.14)	0.89	(0.10)	(0.95)	(0.19)	0.02	0.03
Experience adjustments on Plan Assets Gain/(Loss)	0.07	-	(0.20)	-	(0.27)	-	0.33	-	(0.17)	-

(g) Contribution expected to be paid to the plan during the period 2013-14 is ₹ 2.74 crores (Previous Year ₹ 1.32 crores)

(h) Actuarial Assumptions

	31st March, 2013	31st March, 2012
Mortality Table	LICI-2006-08	LICI-1994-1996
Discount rate	8.25% & 8.10%	8.00% & 8.60%
Salary Escalation rate	5.00% & 7.00%	5.00% & 7.00%
Expected Return on Plan Assets	9.00% & 8.00%	8.00%

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

II. Contribution for Defined Contribution Plan comprising ₹ 0.51 crore (Previous Year ₹ 0.06 crore) on account of the Company's contribution to Super annuation fund and ₹ 3.37 crores (Previous Year: ₹ 3.06 crores) on account of the Company's contribution to Provident funds has been recognised as an expense and included in Note 31- Employee benefits expense under the head "Contribution to provident and other funds" in the Statement of Profit and Loss.

NOTE 40 SEGMENT REPORTING

Primary Reporting Segment-Business Segment (₹ in crores)

Particulars	2012-13					2011-12				
	Polyester Chips	Tea	Segment Total	Un-allocated	Total Enterprise	Polyester Chips	Tea	Segment Total	Un-allocated	Total Enterprise
Segment Revenue-Sales to External Customers	2,191.96	161.61	2,353.57	-	2,353.57	1,785.60	157.21	1,942.81	-	1,942.81
Operating Revenue	63.07	0.79	63.86	-	63.86	35.87	0.77	36.64	-	36.64
Segment Revenue-Total	2,255.03	162.40	2,417.43	-	2,417.43	1,821.47	157.98	1,979.45	-	1,979.45
Segment Result	95.87	33.32	129.19	(52.25)	76.94	60.63	11.96	72.59	(23.10)	49.49
Total carrying amount of Segment Assets	1,976.39	261.89	2,238.28	505.58	2,743.86	1,266.64	289.14	1,555.78	545.09	2,100.87
Total amount of Segment Liabilities #	280.50	20.27	300.77	1,653.55	1,954.32	463.83	23.72	487.55	866.71	1,354.26
Total cost incurred during the period to acquire segment assets	41.65	9.64	51.29	-	51.29	253.29	29.35	282.64	-	282.64
Total amount of depreciation and amortisation	32.53	6.06	38.59	-	38.59	26.60	6.41	33.01	-	33.01
Total amount of significant non-cash expenses	-	-	-	-	-	-	-	-	-	-

Excluding Equity ₹ 789.54 crores (Previous Year ₹ 746.61 crores)

Secondary Segment - Geographical Segment (₹ in crores)

Particulars	2012-13			2011-12		
	Outside India	Within India	Total	Outside India	Within India	Total
Segment Revenue-Sales to External Customers	948.50	1,468.93	2,417.43	564.81	1,414.64	1,979.45
Segment Assets	402.98	1,835.30	2,238.28	128.41	1,427.37	1,555.78
Total cost incurred during the period to acquire segment assets	-	51.29	51.29	-	282.64	282.64

The Company has considered business segment as the primary segment for disclosure. The components of these business segments are Polyester Chips and Tea.

The segment wise revenue, assets and liabilities relate to the respective amounts directly identifiable to each of the segments.

The geographical segments are organised as Domestic and Exports, based on location of customers.

NOTE 41 EARNINGS PER EQUITY SHARE

	Year ended 31st March, 2013	Year ended 31st March, 2012
(a) Earnings attributable to equity shareholders (₹ in crores)	76.94	49.49
(b) Adjustments for Dilutive Earnings net of tax	-	-
(c) Earnings Diluted (₹ in crores)	76.94	49.49
(d) Weighted Average number of Ordinary Shares outstanding	35,024,754	35,024,754
(e) Adjustment for Potential Ordinary Shares #	433,422	1,733,686
(f) Weighted Average number of Ordinary shares in computing Diluted Earnings Per Share.	35,458,176	36,758,440
-Basic (a / d) (in ₹)	21.97	14.13
-Diluted (c / f) (in ₹)	21.70	13.46

As per agreement of Zero Percent Unsecured Foreign Currency Convertible Bonds (FCCB) the bond holders have an option to convert these bonds into equity shares at a minimum price of ₹ 170.10 per share which has been taken as fair value for the purpose of calculating diluted EPS. Also refer note no 37.

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 42 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18

Names of related parties and description of relationship:

(A) Subsidiary Companies:

(1) Egyptian Indian Polyester Company S.A.E.
(2) Dowamara Tea Company Pvt. Ltd.
(3) Dhunseri Petrochem & Tea Pte Ltd.

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

(1) Makandi Tea & Coffee Estates Ltd. (acquired during the year ended 31.03.2013)
(2) Kawalazi Estate Company Ltd. (acquired during the year ended 31.03.2013)

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

(1) Madhuting Tea Private Ltd.
(2) Naga Dhunseri Group Ltd.
(3) Trimplex Investments Ltd.
(4) Mint Investments Ltd.
(5) Plenty Valley Intra Ltd.
(6) Dhunseri Investments Ltd.

(D) Key Management Personnel

(1) Mr.C.K.Dhanuka (Executive Chairman)
(2) Mr. M .Dhanuka (Vice Chairman and Managing Director)
(3) Mr. B. Chattopadhyay (Chief Executive Officer and Managing Director)
(4) Mr. R.K Sharma (Executive Director, Finance) (with effect from 1st April 2012)
(5) Mr. B K Biyani (Executive Director, Corporate) (upto 31st March 2012)

NOTE 42 DISCLOSURES OF RELATED PARTY TRANSACTIONS/ BALANCES

Nature of Transactions/Balances (₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
A Subsidiary Company		
Egyptian Indian Polyester Company S.A.E.		
-Receivable/ (Payable)	2.94	1.68
-Professional Service Rendered	-	1.47
-Investment in Shares	-	77.11
-Reimbursement of Expenses	1.61	-
-Undertaking given to lenders (Refer Note 53)		
Dowamara Tea Company Pvt. Ltd.		
-Receivable/ (Payable)	7.63	6.96
-Investment in Shares	-	0.97
Dhunseri Petrochem & Tea Pte Ltd.		
-Investment in Shares	61.97	- @
-Standby Letter of Credit [Refer Note 24(b)]	71.79	-

NOTE 42 DISCLOSURES OF RELATED PARTY TRANSACTIONS/ BALANCES *(contd.)*

Nature of Transactions/Balances *(contd.)* (₹ in crores)

		Year ended 31st March, 2013	Year ended 31st March, 2012
B	**Group Companies**		
	Trimplex Investments Limited		
	-Rent and Service Charges	1.12	0.88
	-Security Deposits	1.28	1.28
	-Receivable / (Payable)	0.02	(0.03)
	Naga Dhunseri Group Ltd.		
	-Rent Paid	0.28	0.28
	Mint Investments Limited		
	-Rent and Service Charges	0.34	0.26
	-Puchase of goods	-	0.02
	-Receivable / (Payable)	-	(4.57)
	Plenty Valley Intra Ltd		
	-Receivable / (Payable)	-	(8.28)
	Dhunseri Investments Ltd.		
	-Rent and Service Charges	0.95	0.88
C	**Key Management Personnel**		
	Mr. C K Dhanuka		
	-Remuneration	2.43	1.79
	-Rent Received	0.01	0.01
	-Receivable / (Payable)	(2.43)	(1.81)
	Mr. M .Dhanuka		
	-Remuneration	1.83	0.62
	-Rent Received	0.01	0.01
	-Receivable / (Payable)	(1.12)	(0.25)
	Mr. B Chattopadhyay		
	-Remuneration	0.96	0.70
	Mr. R.K Sharma		
	-Remuneration	0.66	-
	Mr. B.K.Biyani		
	-Remuneration	-	0.84
	-Receivable / (Payable)	-	(0.22)

@ Amount is below the rounding off norm adopted by the Company.

NOTE 43 PURCHASE OF STOCK IN TRADE

Pet Barrier Resins	-	**11.82**

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 44 (a) DETAILS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

	2012-13		2011-12	
	Value (₹ in crores)	% Consumed	Value (₹ in crores)	% Consumed
Raw Materials				
Imported	629.94	30.64%	564.20	36.16%
Indigenous	1,425.68	69.36%	995.91	63.84%
Total	**2,055.62**	**100.00%**	**1,560.11**	**100.00%**
Stores and Spare parts				
Imported	3.39	12.66%	0.48	2.11%
Indigenous	23.38	87.34%	22.26	97.89%
Total	**26.77**	**100.00%**	**22.74**	**100.00%**

NOTE 44 (b) DETAILS OF RAW MATERIALS CONSUMED

(₹ in crores)

	2012-13	2011-12
Green Leaf-Purchased	46.89	47.48
PTA	1,423.59	1,060.53
MEG	519.15	403.31
Others	65.99	48.79
Total	**2,055.62**	**1,560.11**

NOTE 45 EXPENDITURE IN FOREIGN CURRENCY

Travelling Expenses	0.98	0.94
Commission on Sales	4.28	5.31
Professional and Consultation Fees	6.79	3.99
Other Miscellaneous Expenditure	6.31	5.78
Interest	9.69	2.92

NOTE 46 AMOUNT OF DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year to which it relates	2012-13	2011-12
Number of non-resident shareholders	1	1
Number of Equity Shares held on which dividend was due (shares)	3,795,054	3,795,054
Amount remitted in Rupees	1.71	1.71

NOTE 47 CIF VALUE OF IMPORTS

	2012-13	2011-12
Raw Materials	712.88	666.63
Capital Goods	14.94	123.94
Stores and Spares	4.24	17.78
Traded Goods	-	13.41

NOTE 48 EARNINGS IN FOREIGN EXCHANGE

(₹ in crores)

	2012-13	2011-12
Exports on FOB Basis	906.54	547.00
Service Charges Received	-	1.47
Interest Income on Fixed Deposits	-	0.43

NOTE 49 FOREX EXPOSURE

a) The Company uses Forward Exchange Contracts and Interest Rate Swaps to hedge its exposures in foreign currency related to firm commitments and highly probable forecasted transaction. Outstanding Forward Contracts as on 31st March, 2013 taken to hedge various foreign currency receivables is ₹ 38.86 crores (Previous Year ₹ 1.87 crores) and foreign currency loan payable is ₹ 40.35 crores (Previous Year ₹ Nil), Interest Rate Swap contract outstanding as at year end is ₹ 55.83 crores (Previous Year ₹ Nil).

b) Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise is ₹ 1016.31 crores (Previous Year ₹ 744.68 crore).

NOTE 50 DISCLOSURE AS PER THE MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006 (MSMED ACT)

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) as at 31st March 2013. The disclosure pursuant to the said Act is as under:

Particulars	2012-13	2011-12
Principal amount remaining unpaid to any supplier as at the end of the year	-	0.07
Interest remaining unpaid to any supplier as at the end of the year	-	-
Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	0.02
Amount of the payment made to the suppliers beyond the appointed day during the year;	-	-
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 51 LEASE OBLIGATION

Operating Lease:

The Company has taken various office premises under operating lease which are cancellable having tenures of 11 months / 9 years. There is no specific obligation for renewal of these agreements. Lease rent for the year amounts to ₹ 1.76 crores (Previous year ₹ 1.22 crores) debited to the Statement of Profit and Loss.

Notes to Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 52 CLASSIFICATION OF INVESTMENTS IN ACCORDANCE WITH AS 13: ACCOUNTING FOR INVESTMENTS: (₹ in crores)

Description	Face Value	No. of Shares /Units		Book Value	
		As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Long Term Investments					
Egyptian Indian Polyester Co. S.A.E.	USD 100	336,000	336,000	156.62	156.62
Dowamara Tea Co. Pvt Ltd.	₹ 10	176,650	176,650	0.97	0.97
Dhunseri Petrochem & Tea Pte Ltd.	USD 1	11,180,816	1,000	61.97	- @
Tectura Corporation	Not Applicable	268	104,096	- @	0.55
Haldia Integrated Development Agency Ltd.	₹ 10	10,000	10,000	0.01	0.01
Gujrat Fluoro Chemicals Ltd.	₹ 1	110,000	93,740	3.15	1.46
Microsec Financial Services Ltd.	₹ 10	1,176	1,176	0.01	0.01
Simplex Projects Ltd.	₹ 10	-	41,008	-	1.22
The Andhra Pradesh Paper Mills Ltd.	₹ 10	98,877	98,877	-	1.71
West Coast Paper Mill Ltd.	₹ 2	-	196,823	1.71	0.95
Mutual Fund-Birla Sun Life Fixed Term Plan Series CX Growth	₹ 10	-	30,000,000	-	30.00
Total Long term Investments				**224.44**	**193.50**
Current Investments					
HDFC FMP March (2) - Growth Series XXI*- INF179K01QE0	₹ 10	33,000,000	-	33.00	-
Mutual Fund-HDFC Cash Management Fund - Savings Plan - Growth	₹ 10	-	13,117,737	-	29.01
Total Current Investments				**33.00**	**29.01**
Grand Total				**257.44**	**222.51**

Disclosed Under:

Non Current Investments (Refer Note 15)	224.44	163.50
Current Investments (Refer Note 18)	33.00	59.01
	257.44	**222.51**

@ Amount is below the rounding off norm adopted by the Company.

NOTE 53

The Company had invested an amount of ₹ 156.62 crores (Previous Year ₹ 156.62 crores) by way of equity contribution up to 31st March, 2013 , towards PET Resin manufacturing project in its subsidiary Company Egyptian Indian Polyester Co., S.A.E. (EIPET). During the year, EIPET has also taken loans from various lenders to fund the project. As the sponsor shareholder having majority stake in EIPET, the Company has given an undertaking to the lenders that in the event of the failure of EIPET to make any term loan repayment on due date and triggering of Market Redirection Event as specified in the agreement, which according to the Company are within its control, the Company will be required to pay to the lenders the amounts due by EIPET subject to a specified limit. Based on the information available with the Company, the loan amount outstanding in EIPET books as on 31st March, 2013 amounts to USD 8.09 crores [Equivalent rupee amount ₹ 440 crores] (Previous Year USD 3.79 crores, equivalent ₹ 193.64 crores), which is not due for payment.

NOTE 54

Miscellaneous expenses (Refer Note 34) include a donation of ₹ Nil (Previous Year ₹ 0.8 crore) to a Political Party - Assam Pradesh Congress Committee.

NOTE 55

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

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

For and on behalf of the Board

C. K. Dhanuka
Executive Chairman

M. Dhanuka
Vice Chairman & Managing Director

B. Chattopadhyay
Managing Director & CEO

J. P. Kundra
Director

P. Law
Partner
Membership No: 51790

R. K. Sharma
Executive Director (Finance)

V.Goel
CFO

K. V. Balan
Company Secretary & Compliance Officer

Place: Kolkata
Date: 14th May, 2013

Dhunseri

Cash Flow Statement for the year ended 31st March, 2013

(₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	99.85	59.03
Adjustments for:		
Interest Income	(14.27)	(17.94)
(Profit)/Loss on sale of assets	(12.44)	0.09
Dividend income	(0.03)	(0.36)
Profit/(Loss) on investments (net)	(4.99)	(0.68)
Provision for diminution in the value of investments	-	0.43
Finance Cost	43.81	41.22
Depreciation and Amortisation	38.59	33.01
Bad Debts Written off	0.40	-
Inventory of Raw Materials written off	0.93	-
Assets Written Off	-	0.01
Liabilities no longer required written back	(1.00)	(0.05)
Claim Receivable written off	2.93	10.24
Mark to Market Loss	0.28	-
Unrealized Foreign Exchange Loss/(Gain)	(5.86)	9.58
Operating Profit before Working Capital Changes	**148.20**	**134.58**
Adjustments for:		
Trade and other receivables	(408.50)	(62.22)
Inventories	(236.20)	(45.03)
Trade payables and other liabilities	(175.91)	118.46
Cash generated from operations	**(672.41)**	**145.79**
Direct Taxes (Paid) / Received	(12.61)	(17.55)
Net Cash from/(used in) Operating Activities	**(685.02)**	**128.24**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Advances to related party	(1.95)	(8.39)
Purchase of fixed assets	(98.88)	(285.75)
Payment for shares purchased in erstwhile subsidiary	(12.84)	(9.00)
Sale of fixed assets	42.93	6.33
Purchase of Long Term Investments	(2.37)	(24.41)
Purchase of Current Investments	(33.20)	(43.50)
Investment in subsidiaries	(61.97)	(78.09)
Sale of Non Current Investments	3.97	49.72
Sale of Current investments	63.63	14.75
Realisation of deposits made with bodies corporate & others	0.55	0.10
Realisation of deposit with bank	6.76	66.55
Dividend received	0.03	0.36
Interest received	15.29	22.00
Net Cash used in Investing Activities	**(78.05)**	**(289.33)**

Cash Flow Statement (contd.) for the year ended 31st March, 2013

(₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Premium on redemption of FCCB	(14.80)	-
Proceeds from long term borrowings	75.05	240.95
Repayment of long term borrowing	(18.04)	(56.31)
Proceeds/(Repayments) of Short Term Borrowings	714.47	128.52
Dividend paid [including tax thereon ₹ 2.56 crores (Previous Year ₹ 2.56 crores)]	(18.24)	(18.30)
Interest paid [includes interest capitalised ₹ 8.71 crores (Previous Year ₹ 6.64 crores)]	(52.39)	(45.31)
Net Cash from financing Activities	**686.05**	**249.55**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(77.02)**	**88.46**
Cash and Cash Equivalents (opening balance) (Refer Note 21)	121.23	32.77
Cash and Cash Equivalents (closing balance) (Refer Note 21)	44.21	121.23

(a) Cash and Cash Equivalents represents cash and bank balances only.

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

(c) The note referred to above forms an integral part of the Cash Flow Statement.

(d) Previous year's figures have been regrouped / rearranged wherever necessary.

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

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

P. Law
Partner
Membership No: 51790

Place: Kolkata
Date: 14th May, 2013

For and on behalf of the Board

C. K. Dhanuka
Executive Chairman

M. Dhanuka
Vice Chairman & Managing Director

B. Chattopadhyay
Managing Director & CEO

J. P. Kundra
Director

R. K. Sharma
Executive Director (Finance)

V.Goel
CFO

K. V. Balan
Company Secretary & Compliance Officer

Auditors Report on the Consolidated Financial Statement of Dhunseri Petrochem & Tea Limited

To
The Board of Directors of
Dhunseri Petrochem & Tea Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Dhunseri Petrochem & Tea Limited ("the Company") and its subsidiaries, hereinafter referred to as the "Group" (refer Note 1A to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management3 is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, notified under Section 211(3C) of the Companies Act, 1956.

7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the component(s) of the Group as referred to in paragraph 8 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31,2013;
   (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
   (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of five subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ 777.52. crores and net assets of ₹ 270.14 crores as at March 31, 2013, total revenue of ₹ 25.11 crores, net profit of ₹ 23.57 crores and net cash flows amounting to ₹ 104.03 crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

P Law
Partner
Membership Number 51790

Kolkata
May 14, 2013

Consolidated Balance Sheet as at 31st March, 2013

(₹ in crores)

	Notes	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	35.03	35.03
Reserves and surplus	3	741.11	665.28
Minority Interest		72.56	47.76
Non-Current Liabilities			
Long-term borrowings	4	850.88	489.41
Deferred tax liabilities (Net)	5	90.10	72.38
Other Long-term liabilities	6	0.50	0.50
Long-term provisions	7	2.82	2.20
Current Liabilities			
Short-term borrowings	8	1,108.11	392.75
Trade payables	9	269.19	444.65
Other current liabilities	10	118.60	93.98
Short-term provisions	11	21.50	20.59
		3,310.40	**2,264.53**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	12	993.52	595.38
Intangible assets	13	19.93	3.75
Capital work-in-progress	14	665.58	404.94
Non-current investments	15	4.88	5.91
Long-term loans and advances	16	62.10	144.56
Other non-current assets	17	5.15	1.65
Current Assets			
Current investments	18	33.00	59.01
Inventories	19	477.20	227.63
Trade receivables	20	532.35	251.75
Cash and Bank balances	21	232.65	425.58
Short-term loans and advances	22	140.67	100.37
Other current assets	23	143.37	44.00
		3,310.40	**2,264.53**

The notes are an integral part of these financial statements

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

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

For and on behalf of the Board

C. K. Dhanuka
Executive Chairman

M. Dhanuka
Vice Chairman & Managing Director

B. Chattopadhyay
Managing Director & CEO

J. P. Kundra
Director

P. Law
Partner
Membership No: 51790

R. K. Sharma
Executive Director (Finance)

V.Goel
CFO

K. V. Balan
Company Secretary & Compliance Officer

Place: Kolkata
Date: 14th May, 2013

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in crores)

	Notes	Year ended 31st March, 2013	Year ended 31st March, 2012
Revenue from operations (gross)	27	2,601.65	2,114.30
Less: Excise duty		159.45	130.60
Revenue from operations (net)		2,442.20	1,983.70
Other income	28	35.75	24.27
Total Revenue		**2,477.95**	**2,007.97**
EXPENSES			
Cost of materials consumed	29	2,062.53	1,563.19
Purchases of stock -in-trade		-	11.82
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(155.88)	(23.41)
Employee benefits expense	31	68.90	57.89
Finance costs	32	47.53	41.22
Depreciation and amortisation expense	33	40.10	33.33
Other expenses	34	318.69	290.62
Total Expenses		**2,381.87**	**1,974.66**
Profit before prior period items and tax		96.08	33.31
Prior Period Adjustments (Refer Note 43)		38.45	-
Profit before tax		134.53	33.31
Tax expense:			
Current tax		13.08	7.19
Adjustment for earlier years		(1.95)	(2.91)
Deferred tax		9.72	5.27
Profit for the period		**113.68**	**23.76**
Share of Minority Interest in Subsidiary Company		13.17	(7.38)
Profit after Tax and Minority Interest		**100.51**	**31.14**
Earnings per equity share: [Nominal value per share:₹ 10/- each (Previous Year- ₹ 10/- each)]			
(1) Basic	40	28.70	8.89
(2) Diluted	40	28.35	8.47

The notes are an integral part of these financial statements

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

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

For and on behalf of the Board

C. K. Dhanuka
Executive Chairman

M. Dhanuka
Vice Chairman & Managing Director

B. Chattopadhyay
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Membership No: 51790

R. K. Sharma
Executive Director (Finance)

V.Goel
CFO

K. V. Balan
Company Secretary & Compliance Officer

Place: Kolkata
Date: 14th May, 2013

NOTE 1 GROUP STRUCTURE AND SIGNIFICANT ACCOUNTING POLICIES

A-GROUP STRUCTURE

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

Name of the Companies	Category	Country of Incorporation	Proportion of Ownership Interest	
			31.03.2013	31.03.2012
Egyptian Indian Polyester Company S.A.E. (EIPET)	Subsidiary	Egypt	70%	70%
Dowamara Tea Company Pvt. Ltd. (DTCPL)	Subsidiary	India	100%	100%
Dhunseri Petrochem and Tea Pte Ltd. (DPTPL)	Subsidiary	Singapore	100%	100%
Makandi Tea and Coffee Estates Ltd. (MTCEL)@	Subsidiary	Malawi	100%	-
Kawalazi Estate Company Ltd. (KECL)@	Subsidiary	Malawi	100%	-

@ Represents subsidiary of Dhunseri Petrochem and Tea Pte Ltd.

(ii) The reporting date of EIPET and DPTPL and its subsidiaries is 31st December,2012 which is three months prior to the reporting date of the Consolidated Accounts. The financial statements of EIPET and DPTPL has been consolidated as of the reporting date i.e. 31st December 2012 with significant transactions of next three months, if any.

(iii) The Consolidated financial statement includes for the first time the operation of DPTPL, a wholly owned subsidiary which though set up during the year ended 31st March 2012, prepared their first accounts for the period from 28th December,2011 to 31st December 2012.

(iv) During the year, the Group has acquired the entire controlling interest in two subsidiary companies, MTCEL and KECL with effect from 31st August, 2012, through its another subsidiary DPTPL. MTCEL and KECL are engaged in cultivation of Tea, Coffee and Macadamia Nuts. Pursuant to such acquisition, net asset of ₹ 104.79 crores as on 31st August, 2012 has been incorporated and Goodwill arising on consolidation amounting to ₹ 17.43 crores has been accounted for in keeping with the related accounting policy as set out in 1(r) below. Post acquisition loss after tax relating to KECL and MTCEL aggregating to ₹ 4.63 crores has been considered in these financial statements.

B. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These consolidated financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3C) of the Companies Act,1956 (the Act) and other relevant provisions of the Act.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle.

(b) Fixed Assets

(i) Tangible Assets

Tangible assets are stated at cost/revalued amount net of accumulated depreciation and accumulated impairment losses, if any.

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

(ii) Intangible Assets

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

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

(c) Depreciation and Amortisation

Leasehold land is amortised under the straight line method over the period of lease. Depreciation on assets is provided using the straight-line method at the rates and in the manner specified in Schedule XIV to the Act other than the following-

With effect from 1st April, 2007 computer and its accessories and mobile phones are depreciated over a period of 3 years and 2 years respectively as per straight line method. Assets costing below ₹ 5,000/- each are fully depreciated in the year of addition.

Intangible assets other than Goodwill arising on Consolidation is amortised on straight line method over the best estimate of its useful life as given below :

- Computer software is amortised over 5 years.
- Other Intangible assets are amortised over 10 years.

In case of certain subsidiaries:

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

Motor Vehicles	3-5 years
Agricultural Equipment	4-14 years
Furniture and Fittings	3-7 years
Plant and Machinery	4-25 years

(d) Impairment

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

(e) Investments

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

(f) Inventories

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

(g) Employee Benefits

(i) Short term Employee Benefits:

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

(ii) Post Employment Benefits Plans:

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

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

(iii) **Other Long-Term Employee Benefits (unfunded):**

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

(h) Foreign Currency Transactions

Transactions in foreign currency are recorded at daily exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the year-end at the exchange rate prevailing on the Balance Sheet date. Foreign currency non monetary items carried in terms of historical cost are reported using the exchange rate on the date of transactions. Exchange differences arising on restatement or settlement are recognised in the Statement of Profit and Loss except for exchange difference arising on reinstatement/settlement of long term foreign currency monetary items in the Parent Company relating to acquisition of depreciable assets which are adjusted to the cost of the depreciable assets to be depreciated over the balance life of the assets and in other cases such differences are accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/liability w.e.f from 01.04.2011 onwards.

(i) Revenue Recognition

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

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

(j) Other Income

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

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

Other items are accounted for on accrual basis.

(k) Borrowing Costs

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

(l) Taxes on Income

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

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

(m) Leases

Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss .

(n) Government Grants

(i) Government grants of the nature of promoters' contribution are credited to Captital Reserve.

(ii) Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book values.

(iii) Government grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with their related costs.

Notes to Consolidated Financial Statements *(contd.)* for the year ended 31st March, 2013

(o) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

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

(p) Derivative Instruments

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

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

Forward exchange contracts on acount of firm commitment/highly probable forecast transactions and other derivative instruments outstanding as at the year-end are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Anouncement of the Institute of Chartered Acountants of India on 'Accounting for Derivatives' issued in March,2008.

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

(q) Use of Estimates

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

(r) Consolidation

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

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

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

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

Minority interest in the consolidated financial statements is identified and recognised in the consolidated balance sheet separate from liabilities and the equity of the Parent Company's Shareholders after taking into consideration:

- The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
- The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
- Adjustment of the losses attributable to the minorities against the minority interest in the equity of the subsidiaries and thereafter adjustment of the excess of loss, if any, over the minority interest in the equity against the majority interest.

NOTE 2 SHARE CAPITAL

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Authorised		
351,220,000 (Previous Year 351,220,000) (Equity Shares of ₹ 10/- each)	351.22	351.22
Issued, Subscribed and Fully Paid up		
35,024,754 (Previous Year 35,024,754) (Equity Shares of ₹ 10/- each)	35.02	35.02
Add: Shares Forfeited	0.01	0.01
	35.03	**35.03**

(a) Reconciliation of number of shares (₹ in crores)

	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	35,024,754	35.03	35,024,754	35.03
Balance as at the end of the year	35,024,754	35.03	35,024,754	35.03

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

(c) Shares allotted as fully paid pursuant to contracts without payment being received in cash (during five years immediately preceding 31st March,2013)

(i) During the year 2010-11- 23,313,859 Equity Shares of ₹ 10/- each were issued as fully paid up, issued pursuant to the scheme of arrangement without payment being received in cash.

(ii) During the year 2008-09- 4,727,095 Equity Shares of ₹ 10/- each were issued as fully paid up, issued pursuant to the scheme of amalgamation without payment being received in cash.

NOTE 3 RESERVES AND SURPLUS

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Capital Reserve	**2.62**	**2.62**
Capital Redemption Reserve	**0.12**	**0.12**
Securities Premium Reserve		
Balance as at the beginning of the Year	31.41	31.41
Less: Premium on redemption of Zero Percent Foreign Currency Convertible Bonds (Note 37)	14.80	-
Balance as at the end of the year	16.61	31.41
General Reserve		
Balance as at the beginning of the year	602.18	597.23
Add: Transfer from Surplus in Statement of Profit and Loss	7.70	4.95
Balance as at the end of the year	609.88	602.18

Notes to Consolidated Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 3 RESERVES AND SURPLUS (contd.)

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Foreign Currency Monetary Item Translation Difference Account		
Balance as at the beginning of the year	-	-
Add : Arisen during the year	(0.89)	-
Balance as at the end of the year	(0.89)	-
Foreign Exchange Translation Reserve		
Balance as at the beginning of the year	(3.62)	(0.85)
Add: Addition during the year	9.33	(2.77)
Balance as at the end of the year	5.71	(3.62)
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	32.57	24.70
Add : Profit for the year	100.51	31.14
Less : Appropriations		
Transfer to General reserve	7.70	4.95
Proposed dividend on Equity Share for the year	15.76	15.76
Dividend Distribution Tax on Proposed Dividend	2.56	2.56
Balance as at the end of the year	107.06	32.57
Total	**741.11**	**665.28**

NOTE 4 LONG-TERM BORROWINGS

Secured		
Term Loans		
From banks	692.02	489.00
From other parties	158.86	0.41
	850.88	**489.41**

NOTE 5 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability		
- Depreciation	93.84	73.54
- Others	3.21	-
	97.05	73.54
Deferred Tax Asset		
- Unabsorbed Depreciation	0.86	-
- Tax losses	4.50	-
- Items allowable for tax purposes on payment	1.59	1.16
	6.95	1.16
Net Deferred Tax Liabilities	**90.10**	**72.38**

NOTE 6 OTHER LONG-TERM LIABILITIES

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Security Deposits	0.50	0.50
	0.50	**0.50**

NOTE 7 LONG-TERM PROVISIONS

Provision for employee benefits		
Provision for Gratuity	0.79	0.98
Provision for Leave Encashment	1.49	1.22
Provision for pension and gratuity under defined contributory schemes	0.54	-
	2.82	**2.20**

NOTE 8 SHORT-TERM BORROWINGS

Secured		
Loan Repayable on demand from Banks [includes ₹ 266.09 crores (Previous Year ₹ 103.76 crores) on account of bills discounted].	840.39	240.94
Other Loan From Bank	95.75	-
	936.14	240.94
Unsecured		
Loan Repayable on demand from Banks [includes ₹ 57.86 crores (Previous Year ₹ 79.14 crores) on account of bills discounted.]	127.24	82.09
Other Loans from Banks	44.73	40.23
Bonds/Debentures		
Zero Percent Foreign Currency Convertible Bonds (Refer Note 37)	-	29.49
	171.97	151.81
	1,108.11	**392.75**

NOTE 9 TRADE PAYABLES

Trade payables	269.19	444.65
	269.19	**444.65**

NOTE 10 OTHER CURRENT LIABILITIES

Current maturities of Long-term borrowings (Refer Note 4)	57.00	17.54
Interest accrued but not due on borrowings	5.24	3.54
Unpaid Dividends	0.55	0.47
Advance from Customers/Agents	19.75	13.08
Employee benefits	8.04	7.42
Liability for Capital goods	6.64	11.89
Statutory Dues	11.85	8.32
Liability against purchase of shares	-	12.84
Mark to Market Loss on Forward Contracts	5.02	18.88
Others	4.51	-
	118.60	**93.98**

Notes to Consolidated Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 11 SHORT-TERM PROVISIONS

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Provision for Employee Benefits		
Provision for Gratuity	2.74	2.18
Provision for Leave Encashment	0.18	0.09
Provision for pension and gratuity under defined contributory schemes	0.26	-
	3.18	2.27
Others		
Provision for Proposed Dividend	15.76	15.76
Provision for Tax on Dividend	2.56	2.56
	18.32	18.32
	21.50	**20.59**

NOTE 12 TANGIBLE ASSETS

(₹ in crores)

Particulars	Gross Block						Depreciation						Net Block	
	As at 01.04.2012	Additions	Disposal	Added on Consolidation [Refer Note 1A (iv)]	Other Adjustment	As at 31.03.2013	As at 01.04.2012	For the year	Disposal	Added on Consolidation [Refer Note 1A (iv)]	Other Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Leasehold Land	16.17	2.14	0.87	-	-	17.44	0.76	0.18	-	-	-	0.94	16.50	15.41
Freehold Land	23.67	0.07	0.14	6.07	(0.57)	29.10	-	-	-	-	-	-	29.10	23.67
Land & Estate Development	104.36	0.24	9.88	67.70	(12.23)	150.19	0.08	-	-	-	-	0.08	150.11	104.28
Factory Building & Non Factory Building	130.11	74.34	12.04	19.41	11.62	223.44	21.33	4.05	0.77	1.23	(0.21)	25.63	197.81	108.78
Plant and Equipment	533.58	234.16	12.65	20.95	46.62	822.66	203.38	32.54	0.69	3.39	(0.66)	237.96	584.70	330.20
Furniture and Fixtures	7.36	0.66	0.29	0.55	(0.09)	8.19	2.05	0.51	0.09	0.23	(0.04)	2.66	5.53	5.31
Vehicles	11.47	2.34	1.26	2.46	(0.45)	14.56	4.93	1.10	0.50	0.89	(0.15)	6.27	8.29	6.54
Office Equipment	1.89	0.30	0.02	0.42	(0.07)	2.52	0.70	0.20	-	0.19	(0.05)	1.04	1.48	1.19
Total	**828.61**	**314.25**	**37.15**	**117.56**	**44.83**	**1,268.10**	**233.23**	**38.58**	**2.05**	**5.93**	**(1.11)**	**274.58**	**993.52**	**595.38**
Previous Year	786.27	38.51	9.06	4.30	8.59	828.61	200.63	30.98	(0.82)	0.80	-	233.23	595.38	

(a) Quality upgradation subsidy amounting to ₹ 0.10 crore (Previous year ₹ 0.55 crore) received during the year under Tea Board Quality upgradation & product diversification scheme has been adjusted against the cost of the respective assets.

(b) The Assam Government has acquired in total 793.05 hectares of land under the Assam Fixation of Ceiling on Land Holdings Act , 1956 and P.W.D. has acquired 4 hectares of land for construction of public road. Pending the receipt/finalisation of compensation money from the authorities in respect of the above acquisition, no adjustment in this regard has been made in these financial statements.

(c) Disposals column includes Gross Block and Accumulated Depreciation of Assets written off worth ₹ Nil (Previous Year ₹ 0.04 crore) & ₹ Nil (Previous Year ₹ 0.03 crore) respectively.

(d) Gross Block - Additions and Depreciation - Disposal column includes ₹ Nil and ₹ Nil (Previous Year ₹ 4.84 crores and ₹ 1.95 crores respectively) respectively on account of assets reinstated/restored subsequent to Fire at Haldia Plant on 14.03.2011.

(e) Other adjustment column includes adjustments on account of exchange difference ₹ 27.30 crores (Previous Year ₹ 8.60 crores) and borrowing cost ₹ 17.53 crore (Previous year ₹ Nil)

NOTE 13 INTANGIBLE ASSETS

(₹ in crores)

Particulars	Gross Block						Amortisation						Net Block	
	As at 01.04.2012	Additions	Disposal	Added on Consolidation [Refer Note 1A (iv)]	Other Adjustment	As at 31.03.2013	As at 01.04.2012	For the year	Disposal	Added on Consolidation [Refer Note 1A (iv)]	Other Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Computer software	0.76	0.27	-	-		1.03	0.66	0.04	-	-		0.70	0.33	0.10
Technical Know-how	22.85	-	-	-	-	22.85	20.21	1.48	-	-	-	21.69	1.16	2.64
Goodwill on consolidation [Refer Note 1A (iv)]	1.01	-	-	17.43	-	18.44	-	-	-	-	-	-	18.44	1.01
Total	**24.62**	**0.27**	-	**17.43**	-	**42.32**	**20.87**	**1.52**	-	-	-	**22.39**	**19.93**	**3.75**
Previous Year	23.38	1.07	-	-	0.16	24.62	18.52	2.35	-	-	-	20.87	3.75	

(a) Other adjustment column includes adjustments on account of exchange difference ₹ Nil (Previous Year ₹ 0.16 crores)

NOTE 14 CAPITAL WORK IN PROGRESS

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Capital work-in-progress	665.58	404.94
Total	**665.58**	**404.94**

Capital Work in Progress includes:	2012-13	2011-12
(i) Borrowing Cost capitalized during the year [net of interest income of ₹ 0.90 crore (Previous Year ₹ 3.63 crores)]	11.64	28.43
Cumulative as on year end	30.16	36.05
(ii) Loss/(Gains) on foreign currency transactions and translations capitalized	(0.25)	29.09
(iii) Pre Operative/Trial Run Expenses (net of Income) included in Capital Work in progress and capitalised during the year		
Cost of materials consumed	136.57	-
Power & Fuel	13.46	0.46
Consumption of stores and spare parts including packing material	3.45	-
Salaries and Wages	1.81	0.72
Contribution to provident and other fund	0.07	0.04
Staff welfare expenses	0.14	0.01
Repairs & Maintenance - Plant & Machinery	0.07	-
Freight, delivery and shipping charges	6.52	-
Brokerage and commission on sales	0.98	-
Net gain/loss on foreign currency transactions/translations	0.19	-
Insurance	9.14	6.42
Miscellaneous Expenses	2.39	0.68
(A) Total Expenditure	**174.79**	**8.33**
Less :		
Sale of Products	150.75	-
Other Operating Revenues	1.52	-
(B) Total Income	**152.27**	-
(C) Pre Operative/Trial Run Expenses (net of Income) (A-B)	**22.52**	**8.33**

Notes to Consolidated Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 15 NON CURRENT INVESTMENTS

(₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
Equity Shares - Quoted , Fully Paid up	4.87	5.35
Equity Shares - Unquoted , Fully Paid up [Refer Note (a) below]	0.01	0.56
	4.88	**5.91**
(a) Includes ` Nil (Previous Year ` - @) being shares in Subsidiary Company not considered for Consolidation.		
(b) Aggregate Market value of Quoted Investments	5.20	7.88
@ Amount is below the rounding off norm adopted by the Group.		

NOTE 16 LONG-TERM LOANS AND ADVANCES

Unsecured, considered good		
Capital Advances	34.40	139.79
Security Deposits	3.67	3.89
Other Loans		
To Staff	0.17	0.06
To Bodies Corporate	0.27	0.82
Prepaid Expenses	23.59	-
	62.10	**144.56**

NOTE 17 OTHER NON-CURRENT ASSETS

Others		
VAT Refund Receivable	4.36	1.65
Margin Money with bank (with maturity more than 12 months)	0.19	-
Fixed Deposits with bank (with maturity more than 12 months)	0.60	-
	5.15	**1.65**

NOTE 18 CURRENT INVESTMENTS

Units in Mutual Funds-Unquoted	33.00	59.01
	33.00	**59.01**

NOTE 19 INVENTORIES (At lower of cost and net realisable value)

Raw materials	209.86	118.08
Work-in-progress	4.67	2.04
Finished goods	207.49	49.52
Stock-in-trade (i.e. Traded goods)	8.10	11.65
Stores and spares including packing material	47.08	46.34
	477.20	227.63

NOTE 20 TRADE RECEIVABLES

	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	4.60	0.40
Other debts [Includes ₹ 313.97 crores (Previous Year ₹ 182.90 crores) on account of bills discounted with banks]	527.75	251.35
	532.35	**251.75**

NOTE 21 CASH AND BANK BALANCES

Cash and cash equivalents		
Balances with Banks		
Current Accounts	66.13	151.48
Cash Credit Accounts	19.07	9.99
Fixed Deposits (with maturity less than 3 months)	1.95	105.38
Unpaid Dividend Account [Refer (a) below]	0.55	0.47
Cheques,Drafts on hand	0.40	2.65
Cash on hand	0.36	0.25
	88.46	**270.22**
Others bank balances		
Fixed Deposits (with maturity greater than 3 months but less than 12 months)	129.90	136.66
Margin Money	14.29	18.70
	144.19	**155.36**
	232.65	**425.58**

(a) Earmarked for payment of dividend.

NOTE 22 SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good		
Loans and advances to related parties	0.02	- @
Deposits with Government Authorities and Others	84.88	45.82
Deposit with National Bank for Agriculture and Rural Development	1.18	8.86
Others:		
Loans to Staff	**0.57**	**0.20**
Advance to Suppliers/Service Providers	40.89	39.25
For Nursery Plantation	1.02	0.80
Prepaid Expenses	6.19	1.58
Advance Tax (net of provision)	5.92	3.86
	140.67	**100.37**

@ Amount is below the rounding off norm adopted by the Group.

Notes to Consolidated Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 23 OTHER CURRENT ASSETS

	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good		
Interest accrued on Deposits	0.78	0.91
Incentives receivable	49.09	16.00
Excise Duty Receivables	85.78	11.53
Insurance Claim receivable	-	9.98
VAT Refund Receivable	1.95	4.08
Receivables against sale of assets	5.77	1.50
	143.37	**44.00**

NOTE 24 CONTINGENT LIABILITIES

a) Claims against the Company not acknowledged as debts		
i) Customs Demand - matter under dispute	- @	1.49
ii) Service Tax Demand - matter under dispute	0.18	0.18
iii) Income Tax-matter under dispute	0.83	0.83
iv) Third Party Bank and Other Guarantee	2.19	-
v) (a) Cases which are pending in the courts of Malawi	0.18	
(b) Bank Guarantee given for Company Staff	0.56	-
It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.		
(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.		

@ Amount is below the rounding off norm adopted by the Group.

NOTE 25 CAPITAL AND OTHER COMMITMENTS

Capital commitments		
Estimated value of contracts on capital account remaining to be executed and not provided for	6.98	320.00
Other commitments		
(a) The Parent Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at Zero rates of duty on an undertaking to fulfill quantified exports in the next six years.	-	28.08
(b) In accordance with the Share Purchase Agreement dated 27th July,2012 entered into between DPTPL and the sellers of the subsidiaries,Kawalazi Estate Company Ltd. and Makandi Tea and Coffee Estate Ltd.,DPTPL has agreed to pay performance payout to the seller amounting to ₹ 27.39 crores if the subsidiaries acheive certain milestone results based on average production targets from the end of second anniversary and third anniversary of the closing date.	27.39	-

NOTE 26 PROPOSED DIVIDENDS (₹ in crores)

	As at 31st March, 2013	As at 31st March, 2012
On Equity Shares of ₹ 10 each		
(i) Amount of dividend proposed for the year by the Parent Company	15.76	15.76
(ii) Dividend per Equity Share (₹)	4.50	4.50

NOTE 27 REVENUE FROM OPERATIONS (₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
Sale of Products		
Finished Goods:		
Tea	131.07	115.48
Packet Tea	54.65	45.98
Polyester Chips	2,347.48	1,916.19
Coffee	0.03	-
Macadamia	0.63	-
Traded Goods:		
Pet Barrier Resins	3.93	0.01
Other Operating Revenues		
Scrap Sales	0.23	1.21
Export Incentive	59.56	32.69
Other Incentives & Subsidies	4.07	2.74
Gross Revenue	**2,601.65**	**2,114.30**
Less: Excise Duty	159.45	130.60
Net Revenue	**2,442.20**	**1,983.70**

NOTE 28 OTHER INCOME

Interest Income	14.41	18.10
Dividend Income from Long Term Investment	0.03	0.36
Profit on Sale of Current Investment	4.42	0.26
Profit on Sale of Long Term Investment	0.57	0.42
Profit on sale of Fixed Assets	12.46	-
Liabilities no longer required written back	1.03	0.53
Service Charges Received	0.12	-
Insurance Claim	1.32	0.12
Interest Subsidy	-	2.65
Miscellaneous Income	1.39	1.83
	35.75	**24.27**

Notes to Consolidated Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 29 COST OF MATERIALS CONSUMED (₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
Opening inventory	118.08	123.63
Add: Purchase during the year	2,154.31	1,557.64
Less: Closing inventory	209.86	118.08
	2,062.53	**1,563.19**

NOTE 30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Increase)/Decrease in Stock		
Stock at the end of year		
Finished Goods	207.49	49.52
Work-in-Progress	4.67	2.04
Stock-in-Trade	8.10	11.65
	220.26	63.21
Stock at the beginning of year		
Finished Goods	49.52	36.79
Stock taken over on acquisition of Subsidiary [Refer Note 1A (iv)]	1.17	0.90
Work-in-Progress	2.04	2.11
Stock-in-Trade	11.65	-
	64.38	39.80
Net (Increase)/Decrease in Stocks	**(155.88)**	**(23.41)**

NOTE 31 EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	58.28	48.88
Contribution to provident and other funds/schemes	4.32	3.14
Gratuity	2.19	1.76
Staff welfare expenses	4.11	4.11
	68.90	**57.89**

NOTE 32 FINANCE COSTS

Interest expense	35.25	31.16
Other borrowing costs	12.28	10.06
	47.53	**41.22**

NOTE 33 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on Tangible assets	38.58	30.98
Amortisation on Intangible assets	1.52	2.35
	40.10	**33.33**

NOTE 34 OTHER EXPENSES

(₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
Power & Fuel	65.64	63.76
Consumption of stores and spare parts including packing material	32.57	22.86
Freight, delivery and shipping charges	85.59	60.56
Brokerage and commission on sales	18.86	21.32
Loss on sale of Fixed Assets	-	0.09
Net loss on foreign currency transactions/translations	38.02	50.37
Claim receivable written off (Refer Note 35)	2.93	10.24
Rent	2.57	1.78
Repairs and Maintenance		
Plant & Machinery	10.39	10.80
Buildings	1.46	1.05
Others	5.17	5.74
Insurance	5.33	4.13
Rates and Taxes	2.55	1.09
Assets written off	-	0.01
Provision for diminution in the value of long term investments	-	0.43
Inventory of Raw Material written off	0.93	-
Bad Debts/Advances written off	0.40	-
Cess on Tea	1.61	1.80
Excise Duty	2.33	1.83
Miscellaneous Expenses	42.34	32.76
	318.69	**290.62**

NOTE 35 INSURANCE CLAIM

A major fire broke out in the raw material store at the Parent Company's Haldia plant on 14.03.2011 leading to destruction/ damage of certain fixed assets, spares, raw materials and packing materials. The items damaged being insured, insurance claims were filed by the Parent Company. The impact of all related losses due to fire had been duly accounted for and an equivalent amount of ₹64.63 crores recognised as insurance claim receivable during the year 2010-11. After partial settlement of the claim in the previous year and giving effect to related adjustments an amount of ₹ 9.82 crores was receivable at the begining of the year. Upon final settlement of the claim during the year the Parent Company received ₹ 7.52 crores (including ₹ 0.63 crore for loss of profit which has been recognised in the Statement of Profit and Loss during the year under the head "Other income") from the insurance company and charged off ₹ 2.93 crores in the Statement of Profit and Loss on account of short settlement of claim by the insurance company (included under the head "Other expenses").

NOTE 36 REVALUATION OF FIXED ASSETS

All fixed assets other than Computers and Furniture & Fixtures located at ten tea estates (Previous year eleven tea estates) and eight tea factories (Previous year nine tea factories) of the Parent Company, in the state of Assam had been revalued by M/s S. R. Batliboi Consultants Pvt. Limited, Registered Valuer, on 1st April, 2009, to ₹ 183.19 crores (Previous Year ₹ 200.47 crores) resulting in increase in net book value of assets by ₹ 149.90 crores (Prevous Year ₹ 162.50 crores) which had been credited to the Revaluation Reserve.The Revaluation Reserve has been fully adjusted in earlier years.

Buildings, Plant & Machinery and Vehicles were revalued at the Net Replacement Value method whereas Freehold Land, Leasehold Land and Land & Estate Development were revalued at Plantation Value method.

Notes to Consolidated Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 37 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)

The erstwhile South Asian Petrochem Limited (since merged with Dhunseri Petrochem & Tea Limited-the Parent company) had issued 200 Zero Percent Unsecured Foreign Currency Convertible Bonds (FCCB) of USD 100,000 each in the year 2007-08. Out of these FCCBs, bonds amouting to USD 75,00,000 which were outstanding at the end of the previous year have been fully redeemed at 136.86% of their principal amount during the year. The premium on redemption amounting to ₹ 14.80 crores (Previous Year ₹ Nil) has been adjusted with Securities Premium Account. (Refer Note 3)

NOTE 38 EMPLOYEE BENEFIT OBLIGATION

The Parent Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Funds/Life Insurance Corporation of India (LICI) 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. Vesting occurs upon completion of five years of service. Liability with regard to the aforesaid gratuity plan is determined by actuarial valuation as set out in Note 1(g)(ii) above, based upon which, the Parent Company makes annual contributions for Gratuity to a trust and LICI.

I. Gratuity

(a) Change in Defined Benefit Obligation during the Year ended March 31,2013 (₹ in crores)

	31st March, 2013		31st March, 2012	
	Funded	Unfunded	Funded	Unfunded
Present value of Defined Benefit Obligation as at April 1,2012	11.98*	-	9.82	0.82
Current Service Cost	0.74	-	0.63	0.17
Interest Cost	1.09	-	0.83	0.06
Benefits Paid	(2.11)	-	(0.71)	(0.17)
Actuarial (gain)/loss on Obligation	1.18	-	0.39	0.14
Present value of Defined Benefit Obligation as at March 31, 2013	**12.88**	-	**10.96**	**1.02**

* Includes obligation transferred from Unfunded part of the obligation as on 31-3-2012 as the same is being funded from the current year.

(b) Change in Fair Value of Assets during the year March 31, 2013

	31st March, 2013		31st March, 2012	
	Funded	Unfunded	Funded	Unfunded
Fair Value of Plan Assets as at April 1, 2012	8.82	-	8.48	-
Expected Return on Plan Assets	0.75	-	0.67	-
Contributions Made	1.82	-	0.58	-
Benefits Paid	(2.11)	-	(0.71)	-
Actuarial gain / (loss) on Plan Assets	0.07	-	(0.20)	-
Fair value of Plan Assets as at March 31, 2013	**9.35**	-	**8.82**	-

(c) Net(Asset)/Liability recognised in the Balance Sheet as at March 31,2013

	31st March, 2013		31st March, 2012	
	Funded	Unfunded	Funded	Unfunded
Present Value of the Defined Benefit Obligation	12.88	-	10.96	1.02
Fair value of Plan assets	9.35	-	8.82	-
Net(Asset)/Liability recognised in the Balance Sheet	**3.53**	-	**2.14**	**1.02**

NOTE 38 EMPLOYEE BENEFIT OBLIGATION *(contd.)*

(d) Expense recognised in the Statement of Profit and Loss for the year ended March 31, 2013 (₹ in crores)

	31st March, 2013		31st March, 2012	
	Funded	Unfunded	Funded	Unfunded
Current Service Cost	0.74	-	0.63	0.17
Interest Cost	1.09	-	0.83	0.06
Expected return on plan assets	(0.75)	-	(0.66)	-
Net actuarial (gain)/loss recognised during the year	1.11	-	0.59	0.14
Total Expense recognised in the Statement of Profit and Loss (in Note 31- Employee benefits expense under the head " Gratuity")	**2.19**	-	**1.39**	**0.37**

(e) Major Categories of Plan Assets as a percentage of total plans as at March 31, 2013

	31st March, 2013	31st March, 2012
Investment with Private Insurance Companies	26.84%	43.04%
Administered by Life Insurance Corporation of India	27.78%	30.80%
Special Deposit and Bonds	10.90%	11.67%
Others Including Bank Balance	34.48%	14.49%
	100.00%	**100.00%**

(f) Experience adjustments (₹ in crores)

	31st March, 2013		31st March, 2012		31st March, 2011		31st March, 2010		31st March, 2009	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
Defined Benefit Obligation as at March 31,2013	12.88	-	10.96	1.02	9.82	0.82	10.01	0.52	8.38	0.27
Fair value of Plan Assets	9.35	-	8.82	-	8.48	-	7.41	-	6.17	-
Status Surplus/(Deficit)	(3.53)	-	(2.14)	(1.02)	(1.34)	(0.82)	(2.61)	(0.52)	(2.20)	(0.27)
Experience adjustments on Plan Liabilities Gain/(Loss)	(0.87)	-	(0.39)	(0.14)	0.89	(0.10)	(0.95)	(0.19)	0.02	0.03
Experience adjustments on Plan Assets Gain/(Loss)	0.07	-	(0.20)	-	(0.27)	-	0.33	-	(0.17)	-

(g) Contribution expected to be paid to the plan during the period 2013-14 is ₹ 2.74 crores (Previous Year ₹ 1.32 crores)

(h) Actuarial Assumptions

	31st March, 2013	31st March, 2012
Mortality Table	LICI-2006-08	LICI-1994-1996
Discount rate	8.25% & 8.10%	8.60% & 8.00%
Salary Escalation rate	5.00% & 7.00%	5.00% & 7.00%
Expected Return on Plan Assets	9.00% & 8.00%	8.00%

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

Notes to Consolidated Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 38 EMPLOYEE BENEFIT OBLIGATION *(contd.)*

II. Contribution to Defined Contributions Plans debited to the Statement of Profit and Loss under the head Contribution to provident and other funds/schemes (Note 31) comprise the following: (₹ in crores)

	2012-13	2011-12
Superannuation Fund	0.51	0.06
Provident Fund	3.37	3.07
Social Insurance, pension fund and defined contributory Gratuity scheme	0.44	0.01
Total	**4.32**	**3.14**

NOTE 39 SEGMENT REPORTING

The Group has considered business segment as the primary segment for disclosure. The components of these business segments are Polyester Chips, Tea, Macadamia Nuts and other Plantations.

The segment wise revenue, assets and liabilities relate to the respective amounts directly identifiable to each of the segments.

The geographical segments are organised as Domestic and Exports, based on location of customers.

Primary Reporting Segment-Business Segment (₹ in crores)

Particulars	2012-13					2011-12				
	Polyester Chips	Tea, Macadamia Nuts and Other Plantations	Segment Total	Un-allocated	Total Enterprise	Polyester Chips	Tea	Segment Total	Un-allocated	Total Enterprise
Segment Revenue-Sales to External Customers	2,191.96	186.38	2,378.34		2,378.34	1,785.59	161.46	1,947.05	-	1,947.05
Operating Revenue	63.07	0.79	63.86	-	63.86	35.87	0.78	36.64	-	36.65
Segment Revenue-Total	2,255.03	187.17	2,442.20	-	2,442.20	1,821.46	162.24	1,983.70	-	1,983.70
Segment Result excluding Prior Period Adjustments	101.55	27.81	129.36	(54.13)	75.23	37.50	10.84	48.34	(24.58)	23.76
Prior Period Adjustments	38.45	-	38.45	-	38.45	-	-	-	-	-
Segment Result after considering Prior Period Adjustments	140.00	27.81	167.81	(54.13)	113.68	37.50	10.84	48.34	(24.58)	23.76
Total carrying amount of Segment Assets	2,585.88	402.29	2,988.17	322.23	3,310.40	1,439.78	295.62	1,735.40	529.13	2,264.53
Total amount of Segment Liabilities #	296.34	31.30	327.64	2,134.06	2,461.70	484.29	24.48	508.77	1,007.69	1,516.46
Total cost incurred during the period to acquire segment assets	453.93	124.47	578.40	-	578.40	376.21	34.83	411.04	-	411.04
Total amount of depreciation and amortisation	32.82	7.28	40.10	-	40.10	26.69	6.64	33.33	-	33.33
Total amount of significant non-cash expenses	-	-	-	-	-	-	-	-	-	-

Excluding Equity ₹ 776.14 crores (Previous Year ₹ 700.31 crores) and Minority Interest ₹ 72.56 crores (Previous Year ₹ 47.76 crores)

NOTE 39 SEGMENT REPORTING (contd.)

Secondary Segment - Geographical Segment (₹ in crores)

Particulars	2012-13			2011-12		
	Outside India	Within India	Total	Outside India	Within India	Total
Segment Revenue-Sales to External Customers	963.59	1,478.61	2,442.20	564.81	1,418.89	1,983.70
Segment Assets	409.26	2,578.91	2,988.17	301.54	1,433.86	1,735.40
Total cost incurred during the period to acquire segment assets	526.82	51.58	578.40	122.92	288.12	411.04

NOTE 40 EARNINGS PER EQUITY SHARE

(₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
(a) Profit after Tax and Minority Interest attributable to equity shareholders (₹ in crore)	100.51	31.14
(b) Adjustments for Dilutive Earnings net of tax	-	-
(c) Earnings Diluted (₹ in crores)	100.51	31.14
(d) Weighted Average number of Ordinary Shares outstanding	35,024,754	35,024,754
(e) Adjustment for Potential Ordinary Shares #	433,422	1,733,686
(f) Weighted Average number of Ordinary shares in computing Diluted Earnings Per Share.	35,458,176	36,758,440
-Basic (a / d) (in ₹)	28.70	8.89
-Diluted (c / f) (in ₹)	28.35	8.47

As per the terms of Zero Percent Unsecured Foreign Currency Convertible Bonds (FCCB), the bond holders have an option to convert these bonds into equity shares at a minimum price of ₹ 170.10 per share which has been taken as fair value for the purpose of calculating diluted EPS. Also refer Note 37.

NOTE 41 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18:

Names of related parties and description of relationship:

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

(1) Madhuting Tea Private Ltd.
(2) Naga Dhunseri Group Ltd.
(3) Trimplex Investments Ltd.
(4) Mint Investments Ltd.
(5) Plenty Valley Intra Ltd.
(6) Dhunseri Investments Ltd.

(B) Key Management Personnel

(1) Mr.C.K.Dhanuka (Executive Chairman)
(2) Mr. M .Dhanuka (Vice Chairman and Managing Director)
(3) Mr. B. Chattopadhyay (Chief Executive Officer and Managing Director)
(4) Mr. R.K Sharma (Executive Director, Finance) (with effect from 1st April 2012)
(5) Mr. B K Biyani (Executive Director, Corporate) (upto 31st March 2012)

Notes to Consolidated Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 41 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18:

Nature of Transactions/Balances *(contd.)* (₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. Group Companies (i.e. Companies in which Key Management Personnel is able to exercise significant influence)		
Trimplex Investments Limited		
-Rent and Service Charges	1.12	0.88
-Security Deposits	1.28	1.28
-Receivable / (Payable)	0.02	(0.03)
Naga Dhunseri Group Ltd.		
-Rent Paid	0.28	0.28
Mint Investments Limited		
-Rent and Service Charges	0.34	0.26
-Puchase of goods	-	0.02
-Receivable / (Payable)	-	(4.57)
Plenty Valley Intra Ltd		
-Receivable / (Payable)	-	(8.28)
Dhunseri Investments Ltd.		
-Rent and Service Charges	0.95	0.88
B Key Management Personnel		
Mr. C K Dhanuka		
-Remuneration	2.43	1.79
-Rent Received	0.01	0.01
-Receivable / (Payable)	(2.43)	(1.81)
Mr. M .Dhanuka		
-Remuneration	1.83	0.62
-Rent Received	0.01	0.01
-Receivable / (Payable)	(1.12)	(0.25)
Mr. B Chattopadhyay		
-Remuneration	0.96	0.70
Mr. R.K Sharma		
-Remuneration	0.66	-
Mr. B.K.Biyani		
-Remuneration	-	0.84
-Receivable / (Payable)	-	(0.22)

NOTE 42 LEASE OBLIGATION

Operating Leases:

The Group has taken various office premises under operating leases which are cancellable having tenures of 11 months / 9 years. There is no specific obligation for renewal of these agreements. Lease rent for the year amounts to ₹ 1.76 crores (Previous year ₹ 1.22 crores).

NOTE 43 PRIOR PERIOD ADJUSTMENT

The Prior Period adjustment comprises pre-operating expenses amounting to ₹ 33.63 crores incurred in earlier years that should have been added to capital work-in-progress and a transaction cost of ₹ 4.82 crores up to 31 December, 2011 that should have been treated as prepaid expenses and amortised over the period of loan, had been inadvertently charged to the Statement of Profit and Loss Accounts in prior years; which have been rectified in the current year's financial statements.

NOTE 44 CLASSIFICATION OF INVESTMENTS IN ACCORDANCE WITH AS- 13 : ACCOUNTING FOR INVESTMENTS (₹ in crores)

Description	Face Value	No. of Shares /Units		Book Value	
		As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Long Term Investments					
Tectura Corporation	Not Applicable	268	104,096	- @	0.55
Haldia Integrated Development Agency Limited	₹ 10	10,000	10,000	0.01	0.01
Gujrat Fluoro Chemicals Ltd.	₹ 1	110,000	93,740	3.15	1.46
Microsec Financial Services Limited	₹ 10	1,176	1,176	0.01	0.01
Simplex Projects Limited	₹ 10	-	41,008	-	1.22
The Andhra Pradesh Paper Mills Ltd	₹ 10	98,877	98,877	-	1.71
West Coast Paper Mill Limited	₹ 2	-	196,823	1.71	0.95
Mutual Fund-Birla Sun Life Fixed Term Plan Series CX Growth	₹ 10	-	30,000,000	-	30.00
Total Long term Investments				**4.88**	**35.91**
Current Investments					
HDFC FMP March (2) - Growth Series XXI*-IN-F179K01QE0	₹ 10	33,000,000	-	33.00	-
Mutual Fund-HDFC Cash Management Fund - Savings Plan - Growth	₹ 10	-	13,117,737	-	29.01
Total Current Investments				**33.00**	**29.01**
Grand Total				**37.88**	**64.92**

Disclosed Under:		
Non Current Investments (Refer Note 15)	4.88	5.91
Current Investments (Refer Note 18)	33.00	59.01
	37.88	**64.92**

@ Amount is below the rounding off norm adopted by the Group.

Notes to Consolidated Financial Statements *(contd.)* for the year ended 31st March, 2013

NOTE 45

Following items, to the extent indicated have been measured and recognised on the basis of different accounting policies applied by certain subsidiary companies, as compared to those applied by the Parent Company. It is not practicable to use uniform accounting policies in preparing the consolidated financial statements. Had the accounting policies of the Parent Company been applied, the impact thereof in the expenditure for the year and the year-end carrying amounts of the assets is not ascertainable at this stage.

(₹ in crores)

	Notes	Year ended 31st March, 2013	Year ended 31st March, 2012
Inventories	19	8.72	Not Applicable
Accumulated Depreciation	12	0.11	Not Applicable
Depreciation	12	1.18	Not Applicable

NOTE 46

The Previous Year figures have been regrouped/reclassified to conform with this year's classification. Further, pursuant to acquisition of subsidiary during the year and consideration of the same in these financial statements (as mentioned in Note 1A), figures for the current year are not comparable with those of the Previous Year.

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

For and on behalf of the Board

C. K. Dhanuka
Executive Chairman

M. Dhanuka
Vice Chairman & Managing Director

B. Chattopadhyay
Managing Director & CEO

J. P. Kundra
Director

P. Law
Partner
Membership No: 51790

R. K. Sharma
Executive Director (Finance)

V.Goel
CFO

K. V. Balan
Company Secretary & Compliance Officer

Place: Kolkata
Date: 14th May, 2013

Consolidated Cash Flow Statement for the year ended 31st March, 2013

(₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	134.53	33.31
Adjustments for:		
Interest Income	(14.41)	(18.10)
(Profit)/Loss on sale of assets	(12.46)	0.09
Dividend income	(0.03)	(0.36)
Profit/(Loss) on investments (net)	(4.99)	(0.68)
Prior Period Adjustment	(38.45)	-
Provision for diminution in the value of investments	-	0.43
Finance Cost	47.53	41.22
Depreciation and Amortisation expense	40.10	33.33
Bad Debts written off	0.40	-
Inventory of Raw Materials written off	0.93	-
Assets written Off	-	0.01
Liabilities no longer required written back	(1.03)	(0.53)
Claim Receivable written off	2.93	10.24
Mark to Market Loss	5.02	-
Unrealized Foreign Exchange Loss (Gain)	37.57	4.87
Operating Profit before Working Capital Changes	**197.64**	**103.83**
Adjustments for:		
Trade and other receivables	(391.02)	(62.89)
Inventories	(239.77)	(44.33)
Trade payables and other liabilities	(212.18)	138.26
Cash generated from operations	**(645.33)**	**134.87**
Direct Taxes (Paid) / Received	(13.19)	(17.55)
Net Cash from/(used in) Operating Activities	**(658.27)**	**117.32**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Advances to related party	(0.02)	-
Purchase of fixed assets	(475.95)	(385.06)
Payment for shares purchased in erstwhile subsidiary	(12.84)	(9.00)
Sale of fixed assets	43.30	6.33
Purchase of Non Current investments	(2.37)	(24.41)
Purchase of Current Investments	(33.20)	(43.50)
Acquisition of subsidiaries [Refer Note 1A(iv)]	(122.22)	(0.98)
Sale of Non Current Investment	3.97	49.72
Sale of Current investments	63.63	14.75
Realisation of deposits made with bodies corporate & others	0.55	0.10
Realisation of deposit with bank	6.76	86.69
Dividend received	0.03	0.36
Interest received	15.43	22.15
Net Cash used in Investing Activities	**(512.93)**	**(282.85)**

Consolidated Cash Flow Statement (contd.) for the year ended 31st March, 2013

(₹ in crores)

	Year ended 31st March, 2013	Year ended 31st March, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Premium on redemption of FCCB	(14.80)	-
Proceeds from long term borrowings	367.22	377.26
Repayment of long term borrowing	(18.04)	(56.29)
Proceeds from minority holdings	-	31.90
Proceeds/(Repayments) of Short Term Borrowings	723.32	127.02
Dividend paid	(18.24)	(18.30)
Interest paid	(54.54)	(70.36)
Net Cash from Financing Activities	**984.92**	**391.23**
D. Exchange Difference on Transalation of Foreign Currency Cash and Cash Equivalents	4.23	1.93
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)	**(182.30)**	**227.63**
Cash and Cash Equivalents (opening balance) (Refer Notes to the Financial Statements 21)	270.22	42.57
Cash and Cash Equivalents Due to acquisition of Subsidiaries [Refer Note 1A(iv)]	0.54	0.02
Cash and Cash Equivalents (closing balance) (Refer Notes to the Financial Statements 21)	88.46	270.22

(a) Cash and Cash Equivalents represents cash and bank balances only.

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

(c) Previous year's figures have been regrouped / rearranged wherever necessary.

(d) The note referred to above forms an integral part of the Consolidated Cash Flow Statement.

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

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

For and on behalf of the Board

C. K. Dhanuka
Executive Chairman

M. Dhanuka
Vice Chairman & Managing Director

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Membership No: 51790

R. K. Sharma
Executive Director (Finance)

V.Goel
CFO

K. V. Balan
Company Secretary & Compliance Officer

Place: Kolkata
Date: 14th May, 2013

DETAILS OF SUBSIDIARY COMPANIES FORMING PART OF CONSOLIDATED ACCOUNTS

(₹ in crores)

Sl No.	Particulars	Currency	Capital	Reserves	Total Assets	Total Liabilities	Invest-ments	Turnover/ Total Income	Profit/ (Loss) Before Taxation	Provision for Taxation	Profit/ (Loss) After Taxation	Proposed Dividend	Country
1	Egyptian Indian Polyester Company S.A.E.	USD	4.80	0.09	11.88	11.88	-	0.22	0.82	-	0.82	-	Egypt
		INR	223.74	4.95	650.90	650.90	-	11.80	43.91	-	43.91	-	Egypt
2	Dowamara Tea Company Pvt. Ltd.	INR	1.77	(3.74)	5.90	5.90	-	8.91	(0.82)	-	(0.82)	-	India
3	Dhunseri Petrochem & Tea Pte Ltd.	USD	1.12	(0.03)	2.31	2.31	-	0.05	(0.03)	-	(0.03)	-	Singapore
		INR	61.25	(1.77)	126.29	126.29	-	2.50	(1.73)	-	(1.73)	-	Singapore
4	Makandi Tea and Coffee Estates Ltd.	Malawi Kwacha	1.39	194.84	305.17	305.17	-	54.07	(25.66)	-	(14.22)	-	Malawi
		USD	0.01	0.61	0.95	0.95	-	0.18	(0.08)	-	(0.05)	-	Malawi
		INR	0.28	33.20	52.08	52.08	-	9.55	(4.53)	-	(2.51)	-	Malawi
5	Kawalazi Estate Company Ltd.	Malawi Kwacha	3.40	277.56	401.01	401.01	-	47.71	(12.21)	-	(12.01)	-	Malawi
		USD	0.01	0.86	1.25	1.25	-	0.16	(0.04)	-	(0.04)	-	Malawi
		INR	0.70	47.25	68.43	68.43	-	8.43	(2.16)	-	(2.12)	-	Malawi

Note: 1) Exchange rate as on 31.12.2012: 1 USD = ₹ 54.7773

2) Exchange Rate as on 31.12.2012: 321 MKW = 1 USD

CORPORATE INFORMATION
(as on 14th May, 2013)

BOARD OF DIRECTORS
P K Khaitan
J P Kundra
Dr B Sen
B Bajoria
Y F Lombard
A Bagaria
R N Bhardwaj
D P Jindal

EXECUTIVE CHAIRMAN
C K Dhanuka

VICE CHAIRMAN & MANAGING DIRECTOR
M Dhanuka

MANAGING DIRECTOR & CEO
B Chattopadhyay

EXECUTIVE DIRECTOR (FINANCE)
R K Sharma

SENIOR VICE PRESIDENT (COO- TEA DIVISION)
P C Dhandhania

SENIOR VICE PRESIDENT (IT SEZ)
K K Tibrewalla

CFO
V Goel

COMPANY SECRETARY & COMPLIANCE OFFICER
K V Balan

STATUTORY AUDITORS
Lovelock & Lewes
Chartered Accountant

COST AUDITORS
Mani & Co.
Cost Accountant

BANKERS & FINANCIAL INSTITUTIONS
Allahabad Bank
Axis Bank Limited
Bank of Baroda
Canara Bank
DBS Bank Limited
Deutsche Bank AG
Development Credit Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IndusInd Bank Limited
International Finance Corporation, Washington
Punjab National Bank
Standard Chartered Bank
State Bank of India
The Hongkong and Shanghai Banking Corporation Limited
United Bank of India

REGISTERED OFFICE
"Dhunseri House", 4A, Woodburn Park,
Kolkata-700020.

PET RESIN PLANT

PLANT I
JL-126, Mouza- Basudevpur, PS Durgachak,
Haldia, District: Midnapore (East), Pin-721 602, West Bengal.

PLANT II
JL-126, Mouza- Basudevpur, PS Durgachak,
& JL-145, Mouza- Paranchak, PS Bhabanipur,
Haldia, District: Midnapore (East), Pin-721 602, West Bengal.

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 BLENDING / PACKETING UNIT
SP-534-A, Sitapura Industrial Area,
Jaipur, Rajasthan.

Dhunseri Tea Estate,
P.O. Mazbat, Assam, Pin: 784507

ITSEZ
Dhunseri IT Park, Kolkata IT Park, SEZ,
Kolkata Leather Complex
Bantala, South 24 Paraganas,
West Bengal.

SUBSIDIARY COMPANIES

Egyptian Indian Polyester Company S.A.E,
10, Nehru Street, Behind Merryland Park, Heliopolis Cairo-11341, Egypt

Dowamara Tea Company Private Ltd.,
Kakopath Road, Vill: Rangajan,
P.O: Rupaisiding, Assam Pin: 786153

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

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

Kawalazi Estate Company Ltd.,
Kawalazi Estate, Nkhatabay, Malawi.

REGISTRARS AND SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata-700001

Dhunseri

Dhunseri Petrochem & Tea Limited

www.dhunseritea.com > www.aspetindia.com

Dhunseri Petrochem & Tea Limited
Dhunseri House, 4A, Woodburn Park, Kolkata – 700020

Notice

NOTICE is hereby given that the 97th Annual General Meeting of the Members of the Company will be held at **"Kala Kunj", Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata-700017 on Thursday, 1st August, 2013, at 10.30 A.M.** to conduct the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2013, the Profit & Loss Account for the period ended 31st March, 2013 and the Cash Flow Statement for the period ended 31st March, 2013 and the Reports of the Directors and Auditors' thereon.
2. To declare dividend.
3. To elect a Director in place of Mr. Joginder Pal Kundra, who retires by rotation and being eligible offers himself for reappointment.
4. To elect a Director in place of Mr. Pradip Kumar Khaitan, who retires by rotation and being eligible offers himself for reappointment.
5. To elect a Director in place of Dr. Basudeb Sen, who retires by rotation and being eligible offers himself for reappointment.
6. Reappointment of Statutory Auditors.
   To reappoint, M/s. Lovelock & Lewes, Chartered Accountants, (Regn. No. 301056E) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration as may be agreed upon between the Board of Directors of the Company and the said M/s. Lovelock & Lewes.

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions including any amendments thereof, read with Schedule XIII of the Companies Act, 1956, as amended upto date, in partial modification of the resolution passed at the Annual General Meeting of the Company held on 4th September, 2010, approval be and is hereby granted to the amended term in respect of reimbursement of medical expenses as given below w.e.f 1st April, 2013, all other terms and conditions of service remaining the same:

   Medical Reimbursement: The reimbursement of actual medical expenses incurred by self and family of the Executive Chairman."

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

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions including any amendments thereof, read with Schedule XIII of the Companies Act, 1956, as amended upto date, in partial modification of the resolution passed at the Annual General Meeting of the Company held on 2nd August, 2012, approval be and is hereby granted to the amended term in respect of reimbursement of medical expenses as given below w.e.f 1st April, 2013, all other terms and conditions of service remaining the same:

   Medical Reimbursement: The reimbursement of actual medical expenses incurred by self and family of the Vice Chairman & Managing Director."

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

Dated: 28th May, 2013

By Order of the Board
For Dhunseri Petrochem & Tea Ltd.

K. V. Balan
Company Secretary & Compliance Officer

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in relation to the Special Business of the Meeting is annexed hereto and forms part of this Notice.
2. As per Clause 49 of the Listing Agreement with the stock exchanges, the brief resume, functional expertise of the directors proposed for reappointment or appointment are annexed hereto and forms part of this Notice.
3. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, among others, must be supported by appropriate resolution/authority as applicable, issued on behalf of the Appointing Organization.**
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th July, 2013 to 1st August, 2013 (both days inclusive).
5. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend, if any, that may be declared at the Annual General Meeting will be paid on or after 1st August, 2013:

a) To those members whose names appear in the Register of Members of the Company as on 1st August, 2013 after giving effect to all valid share transfers in physical form lodged with the Company before 19th July, 2013.

b) In respect of shares held in electronic form, to those "deemed members" whose names appear on the statements of beneficial ownership furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), at the end of business hours on 18th July, 2013.

6. National Electronic Clearing Service (NECS) Facility for payment of dividend:

   The Company, with respect to payment of dividend, provides the facility of NECS to the shareholders.

7. For effecting changes in address/bank details/NECS (National Electronic Clearing Service) mandate, members are requested to notify:

i) the R&T Agent of the Company, viz. Maheshwari Datamatics Private Ltd., if shares are held in physical form and

ii) their respective Depository Participant (DP), if shares are held in electronic form.

   Members are requested to quote their Registered Folio number in all correspondence with the Company or its Registrars and intimation of change must state the Pin Code for proper delivery.

8. Members who have not encashed their unclaimed/unpaid dividend warrants, if any, for the years, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 are requested to send the same to the Company Secretary of the Company at their earliest, for payment in lieu thereof.

   Members are hereby informed that pursuant to the provisions of the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the credit of Investor Education and Protection Fund "the Fund" established by the Central Government. Unpaid Dividend for the year 2004-05 has been deposited accordingly. In accordance with section 205B of the Act, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims. Accordingly, the money lying in the unpaid Dividend Account for the year 2005-06, will fall due for deposit in September, 2013. The list of unclaimed dividend accounts from 2005-06 to 2010-11 is available in the Company's website www.dhunseritea.com.

9. As per the provisions of the Act, facility for making nominations is available for shareholders in respect of Equity shares held by them. Nomination forms (Form 2B) can be obtained from the Registrars of the Company for physical shares. In respect of nomination for dematerailised shares, the concerned Depository Participant of the members should be approached.

10. Members are advised that bank details as furnished by them or by NSDL/CDSL to the Company, for shares held in the certificate form and in the dematerialised form, respectively, will be printed on their dividend warrant(s) as a measure of protection against fraudulent encashment where such dividend could not be remitted electronically.

11. The Annual Report of the Company for the year 2012-13 circulated to the members of Company will also be made available on the Company's website www.dhunseritea.com.

12. Shareholders seeking any information with regard to Accounts may write to the Company 10 days in advance to enable the Company to readily provide the desired details at the Annual General Meeting.

13. Members are requested to bring their copy of the Annual Report at the Meeting and produce the enclosed attendance slip at the entrance to the place of the meeting.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 7

Mr. Chandra Kumar Dhanuka was reappointed as the Managing Director & CEO for a period of five years commencing from 1st January, 2010 and ending on 31st December, 2014 (re-designated as the Executive Chairman with effect from 1st July, 2010) and the terms of reappointment were approved by the Members of the Company at the Annual General Meeting held on 4th September, 2010. The terms in respect of reimbursement of medical expenses as approved earlier is as given below:

Medical Reimbursement: The reimbursement of medical expenses incurred by self and family of the Executive Chairman, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

The Board at its Meeting held on 14th May, 2013 upon the recommendations made by the Remuneration Committee at its meeting held also on 14th May, 2013, has withdrawn the aforesaid ceiling on the reimbursement of medical expenses w.e.f 1st April, 2013 and the new term is reproduced hereunder, all other terms and conditions of service remaining unchanged.

Medical Reimbursement: The reimbursement of actual medical expenses incurred by self and family of the Executive Chairman.

This Explanatory Statement is and should be treated as an abstract of the terms of the draft Supplemental Agreement and Memorandum of Concern or Interest under Section 302 of the Act.

The draft Agreement referred to in the resolution at Item No. 7 of the accompanying Notice will be open for inspection by the members at the Registered

Office of the Company between hours of 10 A.M and 12 Noon on any working day except Saturday.

None of the Directors, except Mr. Chandra Kumar Dhanuka and Mr. Mrigank Dhanuka is, in any way, concerned or interested in the resolution.

Item No. 8

Mr. Mrigank Dhanuka was reappointed as the Vice Chairman & Managing Director of the Company for a period of three years commencing from 1st April, 2012 and ending on 31st March, 2015, and the terms of reappointment were approved by the Members of the Company at the Annual General Meeting held on 2nd August, 2012. The terms in respect of reimbursement of medical expenses as approved earlier is as given below:

Medical Reimbursement: The reimbursement of medical expenses upto limit of ₹ 15,000 (Rupees Fifteen thousand only) per annum or such higher amount as may be exempted under Income Tax Act, 1961 for self and dependent family members.

The Board at its Meeting held on 14th May, 2013 upon the recommendations made by the Remuneration Committee at its meeting held also on the 14th May, 2013, has withdrawn the aforesaid ceiling on the reimbursement of medical expenses w.e.f 1st April, 2013 and the new term is reproduced hereunder, all other terms and conditions of service remaining unchanged.

Medical Reimbursement: The reimbursement of actual medical expenses incurred by self and family of the Vice Chairman & Managing Director.

This Explanatory Statement is and should be treated as an abstract of the terms of the draft Supplemental Agreement and Memorandum of Concern or Interest under Section 302 of the Act.

The draft Agreement referred to in the resolution at Item No. 8 of the accompanying Notice will be open for inspection by the members at the Registered Office of the Company between hours of 10 A.M and 12 Noon on any working day except Saturday.

None of the Directors, except Mr. Mrigank Dhanuka and Mr. Chandra Kumar Dhanuka is, in any way, concerned or interested in the resolution.

Annexure to the Notice

INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

Profile of Directors who are being newly appointed or reappointed:

Mr. J. P. Kundra

Mr. J. P. Kundra, born on 14th April, 1930, holds a Bachelor in Arts degree as well as a Bachelor in Law Degree. He is the former Managing Director of the State Bank of India and has also been the Chairman of the Banking Service Recruitment Board. He was the former Managing Director of the State Bank of Bikaner and Jaipur, and the Ex-Vice Chairman of SBI Capital Markets Ltd. He is currently the Chairman of Taurus Asset Management Co. Ltd. He has around fifty six years of experience in the areas of Finance and Banking. He holds NIL shares in the Company. The Directorships and Memberships of Board Committees of Mr. J. P. Kundra as on the date are as follows:

Sl No.	Name of Company	Nature of Office
1.	Dhunseri Petrochem & Tea Ltd.	Director Chairman - Audit Committee Chairman - Shareholders' Grievance Committee
2.	Ratnabali Capital Markets Ltd.	Director Member - Audit Committee
3.	Ginni Filament Ltd.	Director Chairman - Audit Committee
4.	Taurus Asset Management Co. Ltd.	Director Member - Audit Committee

Mr. J. P. Kundra, Director is not related to any other director of the Company as per Section 6 of the Companies Act, 1956.

Mr. P. K. Khaitan

Mr. P.K.Khaitan, born on 25th March, 1941, is presently the Partner of M/s Khaitan & Co., Advocates. He is an L.L.B, Attorney-at-Law (Bell Chambers Gold Medallist). He specialises in the areas of Commercial, Corporate and Tax Law, Arbitration, Intellectual Property, Foreign Collaborations, Mergers and Acquisitions, Restructuring and De-mergers. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society, Calcutta and the Indian Council of Arbitration, New Delhi. He also has the trusteeship of educational and charitable institutions to his credit. He holds NIL shares in the Company. The Directorships and Memberships of Board Committees of Mr. P.K.Khaitan as on the date are as follows:

Sl No.	Name of Company	Nature of Office
1.	Dhunseri Petrochem & Tea Ltd.	Director
2.	Electrosteel Castings Ltd.	Director
3.	Gillanders Arbuthnot & Co. Ltd.	Director Member - Shareholders' and Investors' Grievance Committee
4.	Graphite India Ltd.	Director Member - Shareholders' and Investors' Grievance Committee
5.	Hindustan Motors Ltd.	Director Member - Investors' Grievance Committee
6.	India Glycols Ltd.	Director
7.	OCL India Ltd.	Director
8.	VISA Steel Ltd.	Director
9.	CESC Ltd.	Director
10.	TCPL Packaging Ltd.	Director
11.	Dalmia Bharat Ltd.	Director
12.	Saregama India Ltd.	Director
13.	Warren Tea Ltd.	Director
14.	Pilani Investment & Industries Corporation Ltd.	Director Member - Audit Committee
15.	Woodlands Multispeciality Hospital Ltd.	Director
16.	Egyptian Indian Polyester Company S.A.E.	Director

Mr. P.K.Khaitan, Director is not related to any other director of the Company as per Section 6 of the Companies Act, 1956.

Dr. B.Sen

Dr. B. Sen, born on 16th June, 1948, holds a Master in Economics and is a Ph.D from the Indian Statistical Institute. He has an over three decades' executive experience in commercial and development banking and investment management organisations, and handles functions across various disciplines such as strategic planning, management information, economy and capital market research, fund management, investments, project appraisal, market research, accounting, internal audit and human resource management. He was Chairman, Industrial Investment Bank of India, Kolkata, Executive Director, Unit Trust of India, General Manager, Industrial Development Bank of India, Corporate Planning Manager, Coal India Limited, Kolkata. He holds NIL shares in the Company. The Directorships and Memberships of Board Committees of Dr. B.Sen as on the date are as follows:

Sl No.	Name of Company	Nature of Office
1.	Dhunseri Petrochem & Tea Ltd.	Director Member - Audit Committee Member - Shareholders' Grievance Committee
2.	ITC Ltd.	Director Member - Investor Services Committee
3.	Gujarat NRE Coke Ltd.	Director Member - Audit Committee Member - Investor Grievance Committee
4.	Mahanagar Gas Ltd.	Director Chairman - Audit Committee
5.	Sumedha Fiscal Services Ltd.	Director
6.	Himadri Chemicals & Industries Ltd.	Director
7.	Al Champdany Industries Ltd.	Director
8.	Srei Venture Capital Ltd.	Director

Dr. B.Sen, Director is not related to any other director of the Company as per Section 6 of the Companies Act, 1956.

Note:

1. The Company has received the requisite Form 'DD-A' from all the Directors, being appointed /reappointed as per this notice, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming their eligibility for such appointment / reappointment.
2. Membership/Chairmanship of Committees of other Companies (includes only Audit Committee and Shareholders'/Investors' Grievance Committee).

Dhunseri Petrochem & Tea Limited
Regd. Office: "Dhunseri House", 4A, Woodburn Park, Kolkata – 700 020

ATTENDANCE SLIP

I hereby record my presence at the Ninety-Seventh Annual General Meeting of the Company held on Thursday, 1st August, 2013 at 10.30 a.m. at Kala Kunj, 48, Shakespeare Sarani, Kolkata-700017 and at any adjournment thereof.

Date: __________________ Signature: ______________________________________

IMPORTANT : This attendance slip should be signed and handed over at the entrance of the Meeting Hall.
* Applicable for Member's holding shares in dematerialised form.

07 2012 KOLKATA FORMS PRINTING HOUSE (033) 2419 6029

Dhunseri Petrochem & Tea Limited
Regd. Office: "Dhunseri House", 4A, Woodburn Park, Kolkata – 700 020

PROXY FORM

Ledger Folio No. __________________ D.P. ID*_________________

No. of Shares held _________________ Client ID*_________________

I/We ____ of

____ being a member of DHUNSERI PETROCHEM & TEA LIMITED

hereby appoint Mr./Mrs./Miss ____of

____(or failing him/her,

Mr./Mrs./Miss ____of

____) as my/our proxy to vote for me/us and on my/our behalf at the Ninety-Seventh Annual General Meeting of the Company to be held on Thursday, 1st August, 2013 at 10.30 a.m. at Kala Kunj, 48, Shakespeare Sarani, Kolkata-700017 and at any adjournment thereof.

Signed this __________ day of _________, 2013

Affix
15 Paise
Revenue
Stamp

Signature of Member ______________________

Note: This proxy must be deposited at the Registered Office of the Company at "Dhunseri House" 4A, Woodburn Park, Kolkata – 700 020 not less than forty eight hours before the time for holding the meeting.

* Applicable for Members holding shares in dematerialised form.

FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Dhunseri Petrochem & Tea Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Types of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by: • CEO / Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	For Dhunseri Petrochem & Tea Limited Mr Biswanath Chattopadhyay *Managing Director & CEO* For Dhunseri Petrochem & Tea Limited Mr Vivek Goel *Chief Financial Officer* For Lovelock & Lewes Firm Registration Number: 301056E Chartered Accountants Lovelock & Lewes Chartered Accountants FRN 301056E Kolkata P. Law Partner Membership No. 51790 For Dhunseri Petrochem & Tea Limited ~~Mr~~ J P Kundra *Audit Committee – Chairman*

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4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	• CEO / Managing Director	For Dhunseri Petrochem & Tea Limited Mr Biswanath Chattopadhyay *Managing Director & CEO*
	• CFO	For Dhunseri Petrochem & Tea Limited Mr Vivek Goel *Chief Financial Officer*
	• Auditor of the Company	For Lovelock & Lewes Firm Registration Number: 301056E Chartered Accountants Lovelock & Lewes Chartered Accountants FRN 301056E Kolkata P. Law Partner Membership No. 51790
	• Audit Committee Chairman	For Dhunseri Petrochem & Tea Limited ~~Mr~~ J P Kundra *Audit Committee – Chairman*

Certified True Copy
For Dhunseri Petrochem & Tea Ltd.

K.V. Balan
Company Secretary
& Compliance Officer

FORM A

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5.	To be signed by: • CEO / Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	For Dhunseri Petrochem & Tea Limited Mr Biswanath Chattopadhyay *Managing Director & CEO* For Dhunseri Petrochem & Tea Limited Mr Vivek Goel *Chief Financial Officer* For Lovelock & Lewes Firm Registration Number: 301056E Chartered Accountants Lovelock & Lewes Chartered Accountants FRN 301056E Kolkata P. Law Partner Membership No. 51790 For Dhunseri Petrochem & Tea Limited Mr J P Kundra *Audit Committee – Chairman*

Certified True Copy
For Dhunseri Petrochem & Tea Ltd.

K.V. Balan
Company Secretary
& Compliance Officer

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5.	To be signed by:	
	• CEO / Managing Director	For Dhunseri Petrochem & Tea Limited Mr Biswanath Chattopadhyay *Managing Director & CEO*
	• CFO	For Dhunseri Petrochem & Tea Limited Mr Vivek Goel *Chief Financial Officer*
	• Auditor of the Company	For Lovelock & Lewes Firm Registration Number: 301056E Chartered Accountants Lovelock & Lewes Chartered Accountants FRN 301056E Kolkata P. Law Partner Membership No. 51790
	• Audit Committee Chairman	For Dhunseri Petrochem & Tea Limited ~~Mr~~ J P Kundra *Audit Committee – Chairman*

Certified True Copy
For Dhunseri Petrochem & Tea Ltd.

K.V. Balan
Company Secretary
& Compliance Officer

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Certified True Copy
For Dhunseri Petrochem & Tea Ltd.

K.V. Balan
Company Secretary
& Compliance Officer

FORM A

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4.	Frequency of observation	Not Applicable
5.	To be signed by: • CEO / Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	For Dhunseri Petrochem & Tea Limited Mr Biswanath Chattopadhyay *Managing Director & CEO* For Dhunseri Petrochem & Tea Limited Mr Vivek Goel *Chief Financial Officer* For Lovelock & Lewes Firm Registration Number: 301056E Chartered Accountants Lovelock & Lewes Chartered Accountants FRN 301056E Kolkata P. Law Partner Membership No. 51790 For Dhunseri Petrochem & Tea Limited ~~Mr J~~ P Kundra *Audit Committee – Chairman*

Certified True Copy

For Dhunseri Petrochem & Tea Ltd.

K.V. Balan
Company Secretary
& Compliance Officer