Dhunseri Petrochem & Tea Limited

Annual Report, 2013-14

ON THE GROWTH TRACK

CONTENTS

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.

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'.

Until FY 2009-10, the sales turnover of Dhunseri Petrochem & Tea Limited was around ₹1,200 crores.

Thereafter, the Company embarked on one of the biggest investments during its existence.

Thereafter, Dhunseri Group more than quadrupled its PET resin capacity, extended its PET presence from one location to two and augmented its tea presence from one country to two thereby increasing its tea acreage by 86%.

Dhunseri Group ventured towards expanding its PET resin capacity in Egypt. Line-I and Line-II commenced commercial production in February 2014 and May 2014 respectively, setting the foundation for one of the dramatic growth phases in the Company's existence.

WE ARE ON THE GROWTH TRACK NOW...

AT DHUNSERI, WE ARE ON THE GROWTH TRACK. IN MORE SENSES THAN ONE.

THE COMPANY IS AT THE CUSP OF THE COMPLETION OF THE BIGGEST EXPANSION IN ITS EXISTENCE. MORE THAN QUADRUPLING ITS PET PRODUCTION CAPACITY OVER THE BASE YEAR OF 2011-12.

THE COMPANY IS ALSO AT A POINT WHERE IT WILL SOON SEGREGATE ITS PETROCHEM AND TEA BUSINESSES TO ENHANCE SHAREHOLDER VALUE.

WHAT HAS BEEN ONE COMPANY ENGAGED IN TWO BUSINESSES FOR THE LAST FIVE YEARS WILL SOON BECOME TWO COMPANIES ENGAGED IN ONE BUSINESS EACH.

WITH THE OBJECTIVE TO ENHANCE VALUE IN A SUSTAINABLE WAY ACROSS EACH BUSINESS SEGMENT IN THE FUTURE.

Our vision and mission

Dhunseri Petrochem & Tea Limited is in business to ensure a lasting commitment to:

- Global eminence through quality leadership
- Raise the bar in line with the best global practices
- Create customer confidence
- Enhance shareholder value

Our presence

Headquartered in Kolkata, Dhunseri Group's manufacturing plants are located in India and Egypt while its plantations are located in India and Malawi. This makes Dhunseri a multi-product, multi-locational and multi-country player.

Petrochemicals: The Company has two PET resin plants in Haldia (port town in West Bengal) with an aggregate capacity of 4,10,000 TPA. Dhunseri Group has another manufacturing facility at Ain-El-Sokhna, a deep-sea port on the Red Sea in Egypt (through subsidiary Egyptian Indian Polyester Company S.A.E.) with a manufacturing capacity of 4,20,000 TPA.

Tea: All the 10 tea estates of the Company having nine tea factories are located in Assam (India). Dhunseri Group also has two tea estates both with factories in Malawi (Africa). It has blending and tea packaging unit in Jaipur (Rajasthan), where a new facility has been created, by constructing a new building.

IT SEZ: The Company embarked on the construction of a commercial IT Park with a built-up area of 7,50,000 square feet (two phases) in South-East Kolkata.

Our background

Incorporated in 1916, Dhunseri Petrochem & Tea Limited is a part of the ₹4,200 crore Dhunseri Group, which is not only one of the largest PET producers in India but also among the global top 10 (along with its subsidiaries).

Our management

Headed by Mr. C.K. Dhanuka (Executive Chairman), ably assisted by Mr. M. Dhanuka (Vice Chairman & MD) and a professional management team.

Our credentials

- Among the top 10 PET resin manufacturers in the world
- Among the top 10 tea manufacturers of India
- Among the top 5 producers of Assam tea

Our footprint

Petrochem

Dhunseri's products are marketed under the ASPET brand in around 55 countries across the Indian sub continents, North America, South America, the European Union, the Middle East, Eastern Europe and North Africa. The Company has a branch office in Dubai Multi Commodities Centre to facilitate its international presence.

Tea

The Company's products are largely sold in leaf form to institutional buyers while its packaged tea brands (LAL GHORA, KALA GHORA and BAHIPOOKRI) are marketed in Rajasthan. Dhunseri Group's international gardens in Malawi caters to the tastes and preferences of consumers in Europe.

Our businesses

The Company is engaged in the business of PET resin, tea and is in the process of moving into the third business of annuity income (through IT infrastructure development).

Petrochem: The Company is engaged in the manufacture of PET resin which finds applications in the manufacture of diverse packaging materials used in marketing mineral water, carbonated soft drinks, edible oil, cosmetics, toiletries, milk, hot-fill drinks and juices.

Tea: The Company produces 10.01 million kgs of CTC and orthodox tea, which are marketed in the domestic markets.

IT SEZ: The Company has embarked on the development of IT-focused commercial infrastructure at Bantala in south-east Kolkata (West Bengal).

Our technologies

Dhunseri has consistently invested in state-of-the-art technologies translating into the manufacture of quality products, high operating efficiencies and environmentally safe processes.

- The Company invested in state-of-the-art PET resin manufacturing technology from Germany
- The Company periodically modernised its tea factories through progressive asset-related investments.

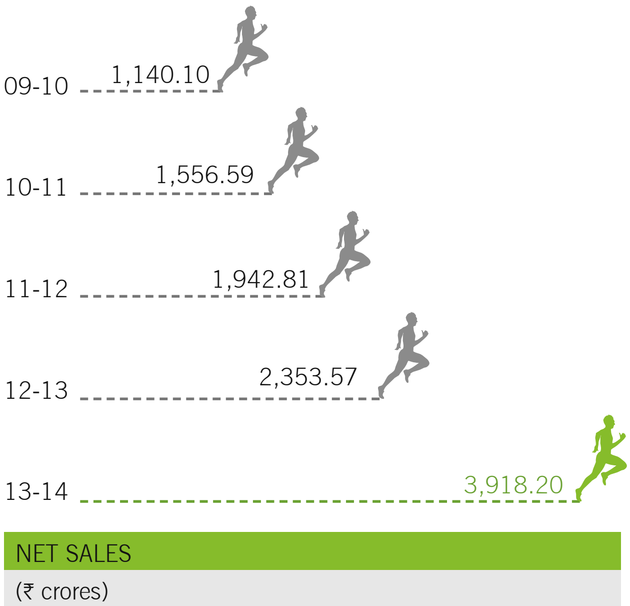
Our certifications

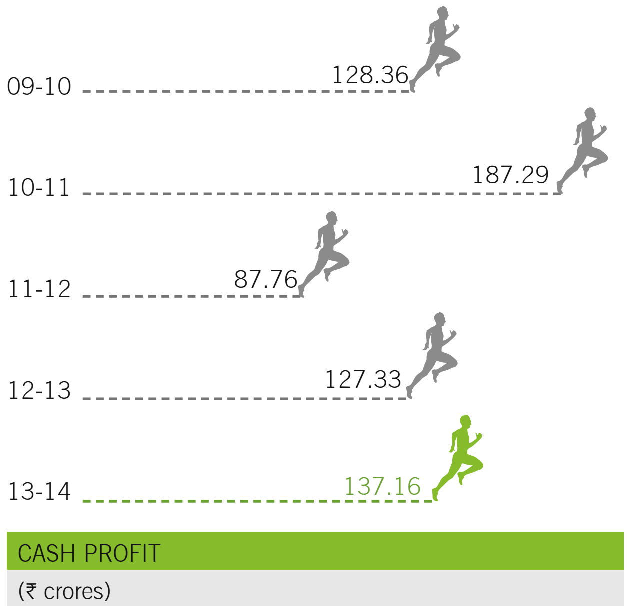
- **PET resin:** Quality certifications from USFDA, EC, ITRC, food and the health regulatory bodies of Japan and Canada.

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

- **Tea:** ISO 22000:2005 (food-safety) certifications for all the gardens of the Company having factories.

OUR STORY IN NUMBERS





OUR COMPETENCIES

Project commissioning capability

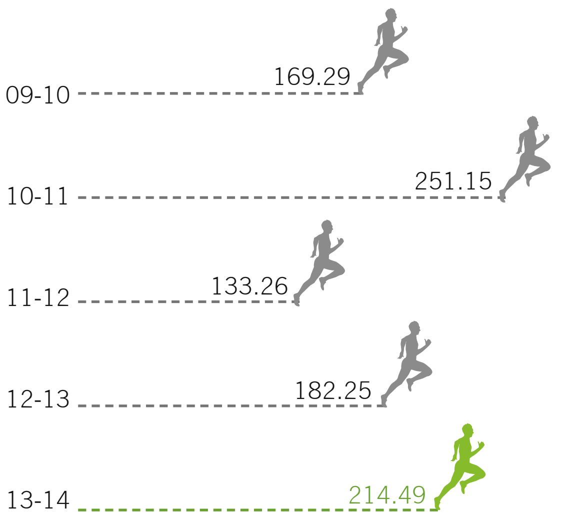
Dhunseri Group commissioned the Egypt-based PET manufacturing project, while leveraging its captive engineering and project management capabilities. Inspite of prevalent sociopolitical conditions in Egypt, the plant was commissioned within a reasonable time frame.

Scale and respect

Following the commissioning of the expansions within India and Egypt, Dhunseri is now expected to emerge among the 10 largest PET manufacturers in the world. The Company is also among the 10 largest tea producers of India (second largest tea producing country in the world) and owns plantations across two continents.

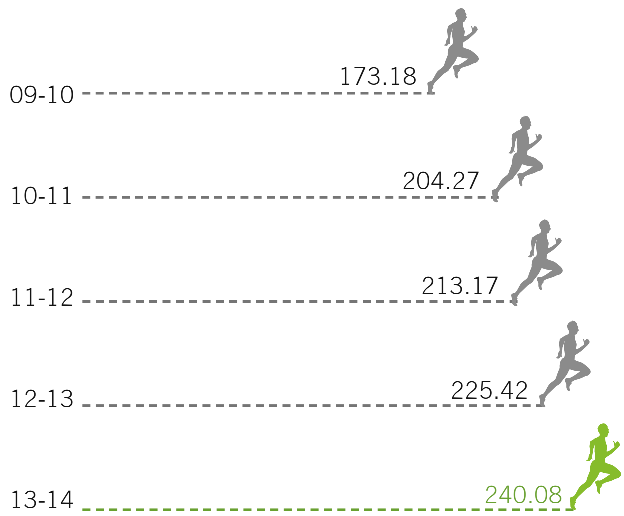
Customer relationships

The Company maintains a high level of efficiency when it comes to satisfying its customers through various initiatives like doorstep delivery system in tandem with the customers' requirement for maximum ease, customised service with regard to order size and specifications, along with timely and regular support services.



EBIDTA

(₹ crores)



BOOK VALUE PER SHARE

(₹)

Logistical advantage

Dhunseri has invested in port-based industrial facilities (Haldia and Ain-El-Sokhna) resulting in the ease of raw material access as well as export of finished products.

Global footprint

The Company's PET resin is marketed across 55 countries; its tea from the Malawi gardens is marketed across 10 countries. This extensive international footprint has helped mitigate geographical risk.

Emphasis on quality

Dhunseri's products comply with the internationally established qualitative parameters. The ISO 9001:2008 certification that was bestowed on the petrochem operations ensured sizeable long-term revenues. Dhunseri's choicest teas from Assam and Malawi have resulted in a long-term customer relationships.

FROM THE CHAIRMAN'S DESK

Chandra Kumar Dhanuka,
Executive Chairman *(Right)*

Mrigank Dhanuka,
Vice Chairman
& Managing Director *(Left)*

OVER PAST FEW YEARS, THE MANAGEMENT OF DHUNSERI PETROCHEM & TEA LIMITED EMBARKED ON A NUMBER OF INITIATIVES TO ENHANCE SHAREHOLDER VALUE.

I AM PLEASED TO INFORM THAT MOST OF THE INITIATIVES THAT WE ACTED UPON ARE COMING TO FRUITION. WITH THE WORST BEING OVER IN THE GLOBAL ECONOMY, WE CAN SAFELY ASSUME THAT THINGS CAN ONLY GET BETTER FROM NOW ON. AND IN LIGHT OF THESE REALITIES, I CAN SAY THAT WE ARE WELL AND TRULY ON THE GROWTH TRACK.

AT DHUNSERI, WE RESOLVED TO ENHANCE ORGANISATIONAL VALUE THROUGH A PRUDENT QUADRUPLING OF OUR PET RESIN CAPACITY.

Overview

The principal idea that I want to convey to our shareholders is that we are in a business that is consistently striving to enhance the value of their holdings. Over the years, we introduced a number of initiatives to make this a reality - starting from the amalgamation of our PET resin business with our tea business, the internationalisation of our business in terms of PET plant and garden locations, the progressive movement towards global scale and our commitment to sustainable management.

As we embarked on these diverse initiatives, the secondary capital market showed signs of weakness. In normal circumstances, the Dhunseri market capitalisation would have moved in line with our enunciated plans and business acquisition; this time the reverse transpired. Our market capitalisation declined, while our Egypt expansion was delayed owing to sociopolitical conditions in the region, causing cost overruns.

However, with the Egyptian plant coming on stream, our prospects have somewhat brightened; the Board took the decision to demerge the Company into independent entities to ensure enhanced focus in each business.

PET resin business

At Dhunseri, we resolved to enhance organisational value through a prudent increase in our PET resin capacity, more than quadrupling our production capacity to 8,30,000 TPA over the base year of 2011-12 and graduating from one of India's largest to one of the top 10 PET resin manufacturers in the world.

We did so in a number of distinctive ways – commissioning of the Indian plant followed by the commissioning of the Egyptian plant within a space of 18 months and by resisting equity dilution.

I am pleased to state that our Indian expansion from 2,00,000 TPA to 4,10,000 TPA was commissioned in November 2012 followed by the commercial production commenced in Line-I of our Egypt project in February 2014 and in Line-II in May 2014. This indicates that the project commissioning risk has been largely addressed and the only challenge now lies in scale-up towards rated capacity utilisation.

Our expansions (covering Indian and Egyptian operations) have been completed, and gives us a much-needed boost. With the commissioning

AT DHUNSERI, WE ARE CONVINCED THAT OUR SIZEABLE PET RESIN BUSINESS NOW NEEDS AN INDEPENDENT IDENTITY OF ITS OWN IN THE GLOBAL MARKETS.

of the plant in Egypt, despite the political upheavals, we believe that both these modules will generate adequate profits and will enhance the value of our globalised PET resin business.

Organisational restructuring

When Dhunseri was organisationally restructured the last time, the tea and PET resin businesses were amalgamated to create a unified 'Dhunseri' Balance Sheet. This was circumstantially warranted at that point in the Company's existence. It was imperative to leverage a robust financial foundation, which would make it possible for us to enhance lender confidence and mobilise debt at attractive rates towards funding our PET resin expansion on one hand while commissioning our expanded capacities and acquiring tea estates/factories on the other. This ensured the growth and development of our respective businesses.

What we would like to communicate is that even as the amalgamation was prudent and necessary at a certain moment in the Company's existence, it is just as necessary to restructure the Company again and this time segregate the PET resin and tea businesses for the very reason they were amalgamated in the first place – to enhance organisational value.

At Dhunseri, we are convinced that our sizeable PET resin business now needs an independent identity of its own in the global markets. We felt that our PET resin business could be valued higher if it was segregated from the tea business; similarly, we also feel that a multi-country tea plantation business would prosper if it was segregated from the PET resin business. At Dhunseri Group, we believe that this segregation will enable both our businesses to be valued appropriately, enhancing value for our shareholders.

Competitive positioning

At Dhunseri, we recognise that business restructuring can create the foundation for growth and transparent assessment; the various businesses would thereafter need to deliver a satisfactory performance.

At the Company, we are hopeful of the prospects of our PET resin business for some pertinent reasons. **One,** the

WE EXPECT THAT WE SHOULD BE ABLE TO GENERATE CONSIDERABLE CASH PROFITS THAT WOULD MAKE IT POSSIBLE FOR US TO ADEQUATELY DE-LEVERAGE IN A FEW YEARS.

Egyptian PET resin facilities are port-based, strengthening their logistical connect with the rest of Europe and America. **Two,** the plant is attractively located to capitalise on low cost access to petroleum feedstock from the Middle East. **Three,** the various fiscal incentives to commission this industrial facility in Egypt will enhance plant competitiveness. In view of these advantages, we expect the Egypt plant to drive our revenues, margins, profits and corporate valuation over the foreseeable future.

The tea business will play a relatively defensive role within the Company's business model. Our tea business is viable, cost-effective and multi-country, de-risking it from a cyclicality perspective. We recognise that sharp increases in output will not be possible within this business, nor is there a scope to play on significant price increases.

In realty development, we are in the process of developing the first phase of commercial space in Bantala, Kolkata, for IT corporates. However, prospects for the moment appear muted and shareholders will need to be patient for a recovery for effective lease-out.

Summary

I want to convey to our shareholders that the Company's business model is stable and with our consolidated capital expenditure for expansion having been completed, our projected peak revenues of ₹8,000 crores should ideally cover only ₹1,000 crores of long-term debt. We expect that we should be able to generate considerable cash profits that would make it possible for us to adequately de-leverage in a few years. Standing at such an inflection point in the Company's history, we are hopeful that Dhunseri will attractively enhance value in the hands of our stakeholders.

C.K.Dhanuka,
Executive Chairman

OUR BUSINESS MODEL

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

Continuous capacity expansion

- The Company continuously invested in annual capacity expansion across both business segments – from 2,00,000 MT in 2011-12 to 8,30,000 MT in May 2014 (including subsidiaries) in PET and 10 million kgs in 2011-12 to 22 million kgs in 2013-14 for tea* (including the subsidiaries). Thus emerging as the largest producer of PET resin in India and among the top-10 in the world, and one of the top 10 producers of tea in India (*excluding the bought leaf factories/tea estate since sold).

- Dhunseri's expansion ventures were mediated with primarily one point in mind – economies-of-scale. This has helped the Company significantly moderate its capital cost per tonne of production.

- These capacity investments provide the Company with competitive manufacturing capabilities, providing downstream customers with the confidence that the Company would be able to supply adequate material to service their growing needs.

Customisation and quality control

- In such a heavily commoditised business like PET, Dhunseri garnered reasonable returns by manufacturing quality products.

- When it came to the tea segment, the Company took significant measures to keep itself qualitatively strong and technologically relevant; it invested in plantations by continuously replacing old tea bushes and machineries with high yielding clones and new higher output machines, respectively.

- The Company invested in strict quality control mechanisms, enjoyed near-zero product rejection and was also able to generate higher realisations due to its ability to manufacture superior quality products.

Strategic sourcing of raw materials

- Dhunseri enjoys numerous logistical benefits - the location in Haldia was delberately selected in the vicinity of major raw material sources required for the manufacturing of PET resin, namely Purified Terephthalic Acid (powder form). The PTA is sourced by the Company from the Haldia-based plant of Mitsubishi Chemicals.

- A majority of the raw material requirements are sourced from long-term vendors, which ensures a smooth raw material supply.

- All the estates of the Company are located in Assam, which produce premium quality of tea.

Strategic global positioning

- Dhunseri Group has selected to position itself as a progressively global Group – in terms of presence and product quality across businesses.
- Dhunseri Group's global plantation acreage increased from 3,063 hectares under tea in Assam in 2012-13 to 6,800 hectares in 2013-14 following the acquisition of two estates in Malawi, Africa. At the same time the Dhunseri Group has expanded its PET capacity from 2,00,000 TPA in 2011-12 to 8,30,000 TPA in May 2014 with the Egyptian plant up and running.

Generating greater value for stakeholders

- As a part of its restructuring exercise, the tea business will be transferred to an entity (Dhunseri Tea & Industries Limited) at a consideration of one share for five shares held in the Company.

Self-sufficient

- The Haldia plant of the Company is connected to the local power grid. However, the usage of grid power is minimal as the Company has 8 MW and 10 MW captive power plants to meet the energy requirement of both plants.
- The tea packaging and blending units at Jaipur, Rajasthan, help the Company reduce costs and ensure timely delivery to customers.

ONE WILL BECOME TWO!

AT DHUNSERI PETROCHEM & TEA LIMITED, WHAT WAS ONE WILL SOON BECOME TWO.

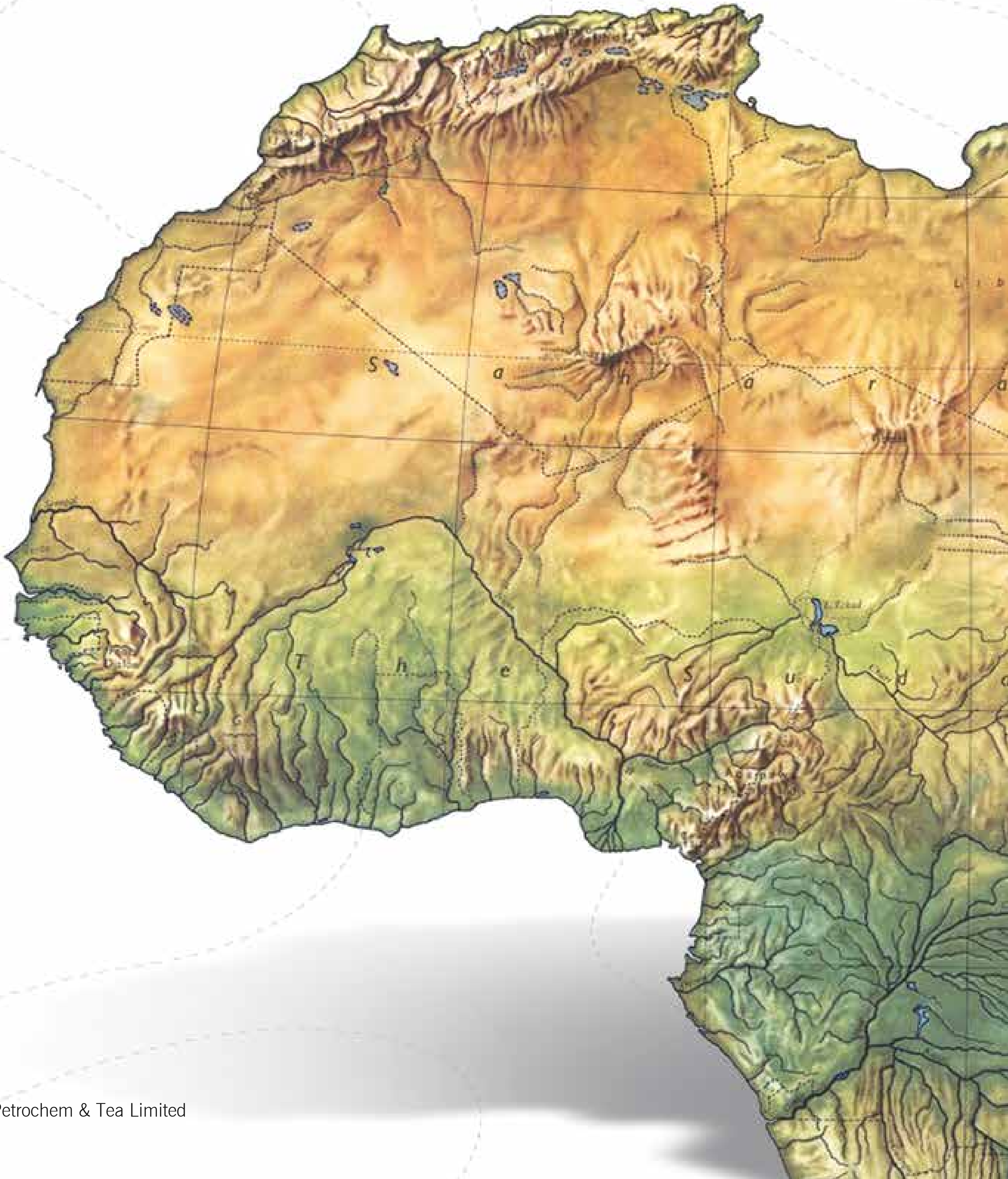
The management of the Company decided to restructure its operations by demerging its tea division and reorganising its IT SEZ division into separate entities. The names of the entities, including Dhunseri, would also change to reflect the respective businesses.

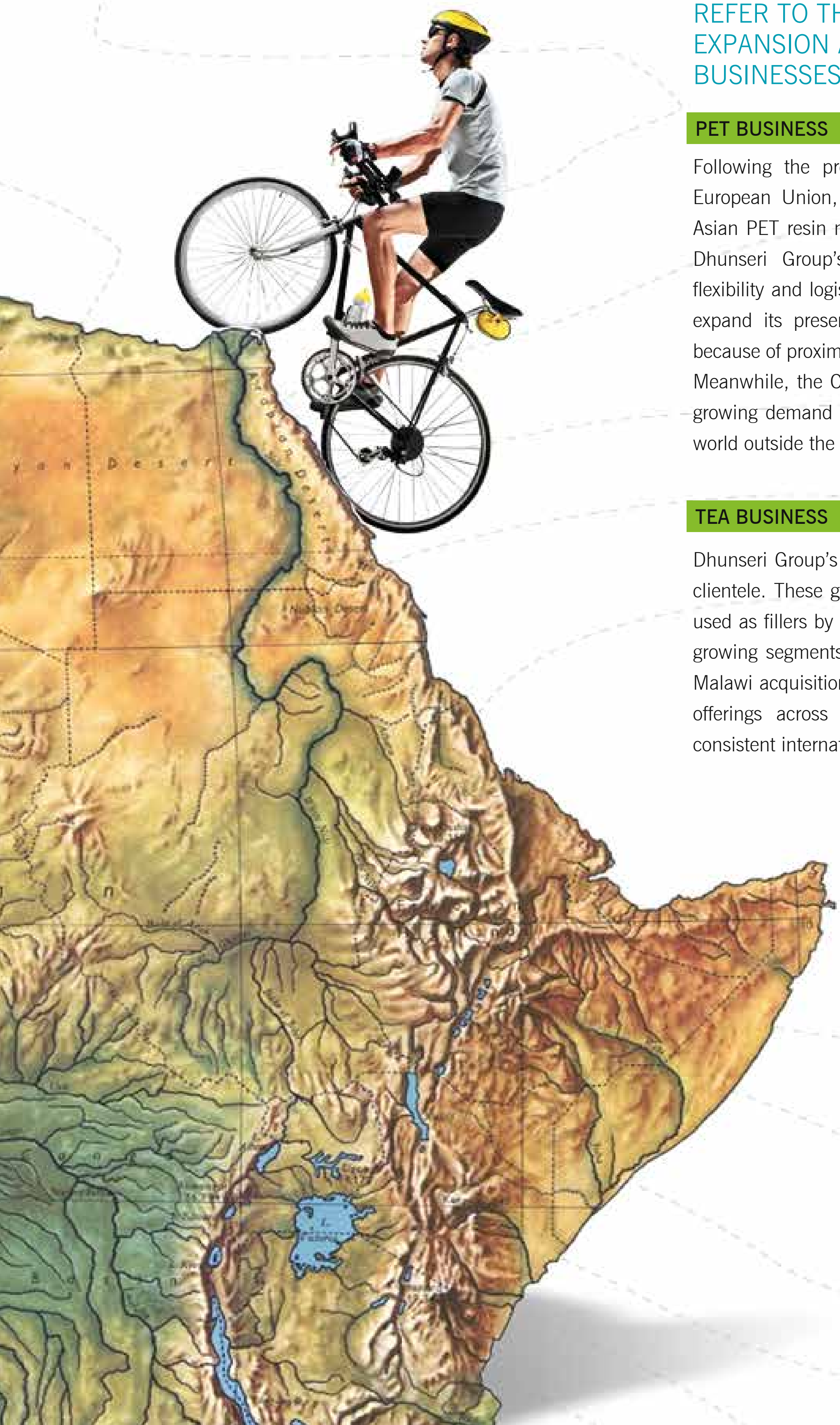
There are number of reasons behind this proposed demerger:

- To enhance managerial control following aggressive growth in the last few years
- To enhance the appreciation of each business, resulting in their true and fair valuation
- To provide an opportunity to the prospective investor, strategic partner or stakeholders to invest in just the business they are interested in
- To allow each business to fund, run, grow and develop independently
- To simplify and rationalise the holding structure of various businesses and interests

We believe that the sum of each of the independent constituents will be larger than the aggregate, validating the reason behind their restructuring.

IT'S TIME FOR AFRICA!





AT DHUNSERI, ONE MAY BE INCLINED TO REFER TO THE COMPANY'S RECENT EXPANSION ACROSS ITS TWO PRINCIPAL BUSINESSES AS A CONTINENTAL SHIFT.

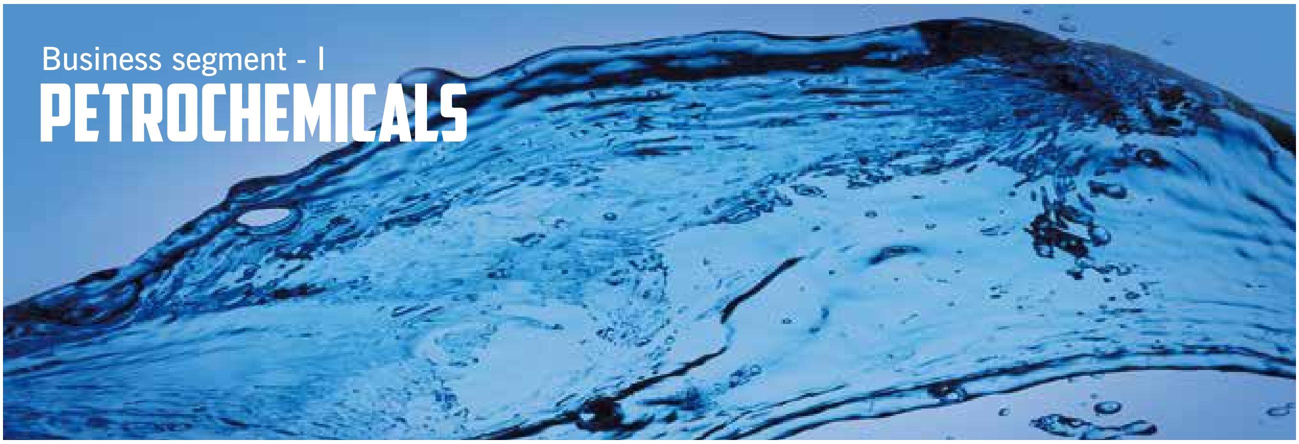
PET BUSINESS

Following the prevailing anti-dumping measures in the European Union, it has become increasingly difficult for Asian PET resin manufacturers to penetrate the continent. Dhunseri Group's Egyptian expansion gives it market flexibility and logistical advantage; flexibility because it will expand its presence in Europe and logistical advantage because of proximity to the African and European countries. Meanwhile, the Company's Haldia facility will address the growing demand of PET resin in India and the rest of the world outside the purview of the EU countries.

TEA BUSINESS

Dhunseri Group's Malawi plantations cater to a discerning clientele. These gardens produce tea of a middling quality used as fillers by tea bag manufacturers, one of the fastest growing segments in the global tea industry. Besides, the Malawi acquisition has also widened the Dhunseri Group's offerings across the premium segment, resulting in a consistent international presence.

REVIEW OF OUR BUSINESS SEGMENTS



Business segment - I
PETROCHEMICALS

Operational capacity/ built-up area

4,10,000 TPA PET resin manufacturing capacity in Haldia, West Bengal

4,20,000 TPA PET resin manufacturing capacity in Ain-El-Sokhna, Egypt

Our brand

ASPET®

Corporate strategy

- Achieve global scale in PET production and marketing
- Enhance efficiency to remain cost effective
- Stay connected and closer to consumers
- To manufacture quality products
- Focus on increasing exports

How we grew over the years

Particulars	Capacity					
	2009-10		2012-13		2013-14	
	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary
PET resin (MT)	2,00,000	NIL	4,10,000	NIL	4,10,000	4,20,000*

*May 2014

Performance in numbers

	2011-12	2012-13	2013-14
PET resin production (in MT)	2,08,975	2,69,249	4,12,038
PET resin sale (in MT)	2,06,857	2,51,641	4,14,186
Capacity utilisation (in %)	105	108	101

Overview

PET (polyethylene terephthalate) is the most adaptive and widely used plastic packaging material. Its popularity is driven by its attributes - clarity, shatter-resistance, mouldability, thermal stability, recyclability, freshness-retention and cost-effectiveness. The Company produces the finest bottle-grade PET resin for the downstream packaging of drinking water, carbonated soft drinks, edible oil, pharmaceuticals and others.

The advantages derived from the use of PET as a packaging material comprise the following:

- PET is lightweight, resulting in an end-product relatively lighter and cost-effective over other packaging media like glass
- PET ensures low transportation costs
- PET bottles provide a superior packaging solution at a cost lower than glass
- PET provides better barrier properties in comparison to other polymers like Polyvinyl Chloride, Polypropylene and Polystyrene
- PET has been approved as safe for foodstuffs and beverages by international agencies like USFDA, EC, Japanese and Canadian food and health regulatory bodies.
- PET can be completely recycled

Our growth drivers

- **Size:** Following the expansion in Haldia and in Egypt, Dhunseri's PET capacity has quadrupled to 8,30,000 TPA over the base year of 2011-12, emerging as one of the 10 largest global PET resin manufacturers.
- **Experience:** The Company has been in this industry for over a decade now and has consistently served the industry and customers. The market perceives the Company as a long-term and stable supplier. The sales team of Dhunseri possesses relevant industry experience.
- **Proximity:** The Company's locations enjoy excellent logistical advantages – the port town of Haldia facilitates easy material import and export as well as access to a principal raw material that is manufactured in the same town. Dhunseri Group's Egyptian operations are also port-based, making it convenient to service the growing requirements of Northern Africa, Western Asia and Southern Europe.
- **Power:** The Company generates power from captive 8 MW and 10 MW coal-based power plants at Haldia, accounting for its complete requirements whereas the Egyptian plant is connected to grid power and additionally DG sets of 12.6 MW as back up.
- **Environmental management:** The Company runs clean manufacturing operations through prudent investments in effluents and emissions management.
- **Technology:** Dhunseri Group has installed cutting-edge German technology to keep it at par with the best in the industry. More importantly Dhunseri Group ensured complete technology absorption through dedicated technical manpower.
- **Quality focus:** The Company's PET plant in Haldia was accredited with the ISO 9001:2008 certification by TUVNORD with products certified by national and international agencies like USFDA, EC, Japanese and Canadian food and health bodies. The Company enjoys an almost zero percent rejection rate when it comes to end products. The newly commissioned Egyptian plant is at par with the Indian plant in terms of product quality and grade.
- **Market share:** In FY 2013-14, the Company enjoyed a market share of around 28% in India and following the Egypt expansion, Dhunseri Group expects to have a global market share of over 5%.
- **Tax benefits:** Free-zone status provided to EIPET by the Egyptian Government has translated into duty waiver benefits against the import of capital goods, raw materials and exports.

Highlights, 2013-14

Financial

In the last fiscal, the global PET market under-performed consequently, resulting in reduced offtake. This had an impact on the Company's performance, which resulted in reduced margins. These challenges notwithstanding, the Company reported sales growth of 66% to ₹3,918 crores in 2013-14 consequent to the additional production following the commissioning of Plant-II.

Operational

- The Company optimised production in Plant-II (Haldia) and commenced commercial production in Line-I (Egypt) during the year under review. The commercial production at Line-II (Egypt) commenced in May 2014.

- Achieved capacity utilisation of more than 100% in the Haldia plants on a combined basis. In Egypt, Line-I achieved 100% operation rate within one month of its commissioning. Even as the designed capacity in Plant-II (Haldia) was 600 tonnes/day, the Company touched 770 tonnes /day through process improvement.
- Completed the 10 MW captive power plant, the impact of which will be felt in 2014-15.
- Commissioned the MEG pipeline to transport imported MEG from port to MEG tanks in the factory at Haldia.

Marketing

- The Company's domestic offtake of 1,72,732 tonnes in 2013-14 represented an increase of 25% over the previous year even as the Indian market grew about 13%.
- Dhunseri Group hired marketing consultants with relevant industry experience in Spain, Italy, Colombia and the US, among other countries, to enhance customer reach in international markets.
- The Company entered new locations and increased its global footprint from 50 countries to 55 countries.

Outlook, 2014-15

With two manufacturing units located in different locations, Dhunseri Group intends to undertake market segmentation for both units rather than competing with itself. The Indian unit would be concentrating on the Indian subcontinent, North America, South America and the Middle East, whereas the Egyptian plant would be catering to the requirements of Southern Europe, Western Asia and Northern Africa. The Company plans to increase its presence in the US, which will allow full utilisation of assets.

Dhunseri Group's focus will be on consolidation across its Haldia and Egypt plants. Dhunseri Group commissioned the Line-II at Egypt in the first quarter of 2014-15. Commissioning of the 10 MW coal-based captive power plant has reduced dependence on grid supply. The Company intends to implement a number of ground-level initiatives, which will enhance productivity.

The Egypt Expansion

The sociopolitical condition notwithstanding, Dhunseri started commercial production at its 4,20,000 TPA PET resin plant in Ain–El-Sokhna (deep sea port on the Red Sea) in Egypt through a subsidiary called Egyptian Indian Polyester Company S.A.E (EIPET). The plant in Egypt is expected to strengthen business in the following ways:

Market proximity: Proximity to rapidly growing PET resin markets in Africa (Algeria, Morocco, Libya and Tunisia), Israel, the US and the European Union. The plant will service the needs of European customers within 48 hours and American port-based customers within a week.

Economies-of-scale: Following commercial production at Line II in 2014-15, EIPET strengthened its economies-of-scale leading to competitive pricing.

Raw material sourcing: Proximity to an MEG-abundant region (Saudi Arabia and the Middle East) will moderate logistics expenses.

Cost-competitive: Internationally competitive power costs helped moderate production costs.

Business segment - II

Operational capacity/Built-up area

10 tea estates in Assam and two in Malawi (Africa), amounting to a cumulative production capacity of 22 million kgs

Corporate strategy

- Create a global presence through the Malawi tea gardens
- Enhance efficiency
- Focus on quality tea production
- Replant 23.07 lacs tea bushes by 2015

Our brand

How we grew over the years

Particulars	Capacity					
	2009-10		2011-12		2013-14	
	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary
Tea (million kgs)	10*	Nil	10**	Nil	12	10
Tea garden acreage (hectares)	3,026*		3,051*		5,689	

Performance in numbers

	2011-12	2012-13	2013-14
CTC tea production (in million kgs)	7.20**	6.83**	6.43
Packet tea production (in million kgs)	2.71	2.87	2.86
Orthodox tea production (in million kgs)	0.15**	0.03**	0.81
Revenue (₹ in crores)	157.21	161.61	169.27
Average realisation (per kg)	166.41	153.36	158.71

*excluding tea estate which have been sold off

**excluding bought leaf factories/tea estate which have been sold off

Overview

Dhunseri is one of the largest Indian tea producers, accounting for 0.52% of the total teas produced in the country. Dhunseri reinforced its reputation around the production of quality teas in India. During 2012-13, the Company acquired two companies in Malawi owning two tea estates for a consolidated USD 22 million, which marked the global extension of a five-decade Indian tea Company. The Company strengthened production from these two estates with a clear focus on European palates. Of the Company's 10 tea gardens, all nine gardens with factories are ISO 22000:2005-certified from DNV Business Assurance for food safety, emphasising the Company's positioning as a premier tea producer.

Key strengths

Experienced management: More than 50 years of experience reflected in superior cultivation practices.

Scale: Following the Malawi acquisition, the Company's tea production (excluding bought leaf factories/tea estate since sold) increased 88% in 2013-14 in comparison to FY 2011-12. An annual tea production of 10.1 million kgs from its Indian gardens makes Dhunseri one of the top 10 tea producing companies in India.

Product basket: The Company is engaged in the production of diverse tea varieties, addressing different palate requirements and producing macadamia nuts and coffee.

Quality focus: The Company is a process-led producer resulting in a compliance with global health and quality benchmarks on one hand and superior quality on the other – across gardens and countries.

Research and development: The Company is engaged in yield-enhancing investments and initiatives in collaboration with Tea Research Association.

Business-enhancing initiatives

- The Company started the practice of planting 15 lac saplings a year for three years starting 2012-13.
- The Company improved agricultural methods in line with international quality and productivity benchmarks.
- The Company replaced old bushes (to the extent of 2.5 percent of its garden area) with high-yielding clonal varieties like P126 and Teenali.
- The Company invested in best-in-class irrigation facilities at its gardens to counter drought.
- The Company has taken innovative steps from an industry perspective to counter pest attack.
- The Company upgraded processing equipment to enhance quality.

Highlights, 2013-14

Financial

- The Company strengthened its tea revenue by 4.74% to ₹169.27 crores in 2013-14. Malawi's tea revenues accounted for 33% of the consolidated Tea Division's revenues in 2013-14.
- Average realisation per kg of tea increased by ₹5.35 in 2013-14.

Operational

- As a result of the drought, erratic climate and pest attacks, the Company reported a 7.45% decline in the production of tea to 10.1 million kgs in 2013-14.
- The Company produced 14 lac kgs tea made at the Hatijan Tea Estate in the second year of operations and is expected to produce 15/16 lac kgs in the next two years. The Company also stabilised production at Makandi Tea & Coffee Estates Limited and Kawalazi Tea Estate.
- The Company invested in equipment like vibratory fluidised bed dryers, enclosed withering troughs, modern humidification plants and monorail conveyer systems to enhance quality and yield. In the Malawi gardens, uprooting, plucking and pruning machines were installed to reduce labour dependence.
- The Company faced a moisture problem in the packaging of KALA GHORA at our Dhunseri Tea Estate packaging plant due to climatic conditions and shifted its packaging plant to Jaipur. The Company invested in building a separate space within the Jaipur plant. This initiative helped reduce logistics costs; the process of blending became direct – from Assam to packet tea factory.
- The Company invested in tractors mounted with spraying machines for quick and better control. Introduction of self-cleaning floor machines prevented tea leaves from contamination during fermentation.
- Following the impact of quality clones, average yield stood at 2,126 kgs in 2013-14, an increase of 5% over 2012-13.

Marketing

- The Company marketed 37.1% of its total tea through the auction route; 32.82% of revenues were derived from the sale of packaged teas as the

Company reported a 2.96% decrease in the offtake of packaged teas in 2014-15.

- The Company launched another premium brand (Bahipookri in Rajasthan) in one kilo packets; it intends to launch Chhote Lal to cater to the price-conscious Rajasthan segment in 2014-15.
- The Company enjoyed a strong marketing presence in Rajasthan through its LAL GHORA and KALA GHORA brands, carving out the highest market share in the premium segment in that state.
- The Company invested ₹127.74 lacs in advertising and promotions in the local media, getting Hema Malini on board as a brand ambassador.
- The Company energised its dealer network with incentive schemes to each retailer through the Company's dealers, leading to quicker and larger offtake.

Outlook for 2014-15

The Company intends to invest in quality-led product differentiation, yield increase, labour cost moderation and in the promotion of the Company's brands.

Business segment - III

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 will provide an attractive opportunity for IT and ITeS companies, offering developed commercial office space.

Major IT companies evinced interest in the SEZ being developed at Bantala. Companies like Cognizant commenced operations in the region with an employee base of 4,000. Many infrastructure developers booked spaces within the IT complex.

Highlights, 2013-14

- Civil construction for the first phase of the project was almost completed.
- The delivery and installation of equipment relating to MEP, façade and miscellaneous interior work would be taken up only following favourable market response.
- The Company expects to generate rentals of ₹30-35 per square foot, which are more competitive compared with other IT parks.

Kolkata, a preferred IT destination

- Around 500 IT and ITeS companies operate within West Bengal
- The city is one of the lowest-cost metropolitan cities in India
- High literacy rate (around 77%) promises an adequate talent pipeline

MANAGEMENT DISCUSSION AND ANALYSIS

PETROCHEMICALS INDUSTRY

Overview

Polyethylene Terephthalate (PET) is a thermoplastic polyester widely used in the production of beverage bottles and flexible packaging film due to the advantages of high clarity, low permeability and excellent printability. According to SBA CCI report, over the last 10 years, annual global PET resin demand has grown, from 9.45 million tonnes in 2003 to 20.44 million tonnes in 2013 and presently the PET resin demand stands at around 21.9 million tonnes. *(Source: SBA CCI, March 2014)*

Advantages of PET

Among packaging materials, PET excels when it comes to sustainability and efficient shelf space use. The light product can be completely recycled, is compact and almost unbreakable. Besides, the quantum of energy required is lower compared to alternative packaging materials like glass and aluminum. It has been proved that organic products, natural cosmetics, herbs and spices packed in this plastic last longer. PET provides a sufficient barrier against temperature and UV light. The contents of PET bottles and jars are protected in a sustainable way to achieve the desired shelf life.

Global PET resin industry

The Polyethylene Terephthalate (PET) industry has grown by 7.6% over the last 10 years. The Polyethylene Terephthalate (PET) market is expected to reach 76.7 million tonnes by 2016 primarily supported through different product types - films, fibres and sheet extrusion. Globally, the bottles and container and food packaging segments account for almost 62.6% of the market share. The highest Compounded Annual Growth Rate (CAGR) of 11.7% is expected from Europe (2011-2016) with Asia-Pacific expected to report a CAGR of 11.3% and Americas' 10.9% during the same period. *(Source: Global Market Watch, November 2013)*

World PET packaging resin production growth rates % p.a. 2003-18

(Source: SBA - CCI report)

Global demand

Global demand for PET resin was estimated at 21.9 million tonnes in 2014 growing at a year-on-year increase of 6.7% whereas, the global PET resin consumption grew only by 5.7%. The two major factors that are driving the global demand for this industry are increasing urbanisation and changing lifestyles. *(Source: SBA-CCI and PCI Report)*

World PET resin consumption: 2014

	Total demand	Increase on 2013		Proportion of global total (%)
	Thousand MT	Thousand MT	%	
CSD	5,708	213	3.9	28.9
Water	5,579	354	6.8	28.0
Other drinks	3,987	252	6.6	20.2
Food	1,964	81	4.3	10.0
Non food	1,268	102	8.7	6.5
Sheet	3,035	195	6.9	15.4
RPET	1,768	(122)	(7.4)	9.0
Total	**19,773**	**1,075**	**5.7**	**100.0**

Indian PET resin industry

The Indian packaging industry is one of the country's fastest growing sectors covering the packaging of food and beverages, fruit and vegetables, drugs and medicines and dangerous products among others and marked by growing specialisation and sophistication. The Indian packaging industry, which is growing at the rate of 13-15% annually, is presently valued at about USD 24.6 billion (in terms of annual turnover).

Demand drivers

Population: The country's population is expected to increase to 126 crores by the end of March 2014, growing annually at around 1.58%. India annually adds more people than any other nation in the world (around 0.1 billion annually). China currently has a population of 139 crores having a population growth of around 2.3% annually. The growing population is expected to drive the demand for PET in a sustainable way.

Urbanisation: In the decade spanning 2001-2011, the urban population of India grew annually by 2.8%, adding 9.1 crores people to India's population in cities, as per ASSOCHAM study. This urban population is expected to grow up to 590 million by 2030, accounting for nearly 40% of India's population as compared with the current 31%. With cities and towns becoming the focal point of sustaining livelihoods, India, in 2030, is expected to have 68 cities, and 6 megacities, which will have population in excess of one million and ten million respectively.

Incomes: India's per capita income was estimated to have gone up by 10.4% to ₹6,423 per month in 2013-14 at current prices, compared with ₹5,279 in the previous fiscal year. The annual per capita income at current prices during 2013-14 was estimated at ₹74,920 compared to ₹68,747 during 2012-13, a rise of 10.4%.

Age-dependency ratio (youth % of

working-age population): India's growing youth population with high disposable incomes is a sign of growth for the PET resin industry. In about seven years, the median individual in India will be 29 years. Around 450 million people in India are between ages 15-34, which is a high proportion of working-age individuals in comparison to dependants (children and seniors). This trend will continue, with a report by the IRIS Knowledge Foundation and UN-HABITAT estimating that by 2020, India is set to become the world's youngest country with 64% of its population in the working age group.

Growing packaging sector: The total turnover of the packaging industry in India is USD 27.6 billion and expected to grow to USD 43.7 billion approximately by 2016.

Hygiene: Flexible packaging contains multi-layered laminated sheets of single or a combination of substrates such as plastic. Flexible packaging provides strength, moisture resistance, aroma retention, gloss, grease resistance, heat retention and low odour. This enhances reliability of food quality and hygiene.

Segment-wise and product-wise performance

Currently, the Company's PET resin revenue increased 71% to ₹3,749 crores. The production increased by 53% since last year. The domestic market share increased by 1% in 2013-14 hence the Company's domestic sales grew by 30% to ₹1,622 crores, accounting for 43% of the Company's PET resin revenue during the year under review. Exports grew by 124% to ₹2,128 crores, accounting for 57% of the Company's total PET revenue in 2013-14. The international sales were higher than domestic sales due to the enhanced production from the expanded capacity.

Outlook

The Indian packaging industry, which is currently valued at around USD 24.6 billion is expected to grow to USD 32 billion in the next two to three years growing at the present annual growth rate of 13-15%. The large growing middle class, liberalisation and organised retail sector are the catalysts to growth in packaging. More than 80% of the total packaging in India constitutes rigid packaging. The remaining 20% comprises flexible packaging. India's per capita packaging consumption is less than USD 15 against worldwide average of nearly USD 100. With all these realities in mind future of the Indian packaging industry looks bright.

TEA INDUSTRY

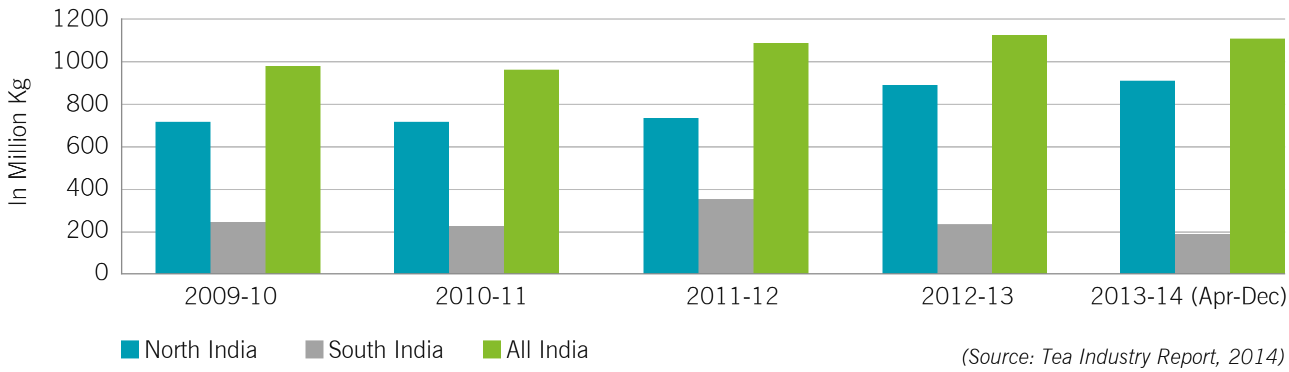
Overview

Tea is globally one of the most popular and cheapest beverages with major production centres in India, China, Kenya, Sri Lanka, Turkey and Vietnam. The tea industry is one of the oldest organised industries in India with a large network of tea producers, retailers, distributors, auctioneers, exporters and packers. Total tea production in the world has exceeded 4 billion kgs in 2013, with India producing about 1 billion kgs of tea. During 2008 to 2013, black tea production in India increased at a CAGR of 1.6% while consumption rose at a CAGR of 2.3%. India's total annual tea production in 2013 is estimated at 1,200 million kgs out of which 65%, approximately 850 million kgs, is produced by the big tea gardens while about 350 million kgs tea is produced by small tea growers with land area ranging from 2 to 20 hectares.

Production

According to a report by the Indian Tea Association (ITA), India's tea production increased by 6.5% to 1,200 million kgs in 2013, against 1,126.33 million kgs a year ago. Total production of tea in the Eastern part of the country (Assam and West Bengal) stood at 957.44 million kgs in 2013 as against 886.95 million kgs in the previous year.

Trend in the production of Tea in India



(Source: Tea Industry Report, 2014)

Consumption

Consumption of tea in India is expected to grow at 2-2.5% in 2014 led by increase in population and steady growth in per capita tea consumption. The consumption increased from 890 million kgs in 2012-13 to 912.25 million kgs in 2013-14.

Yields

India's tea yield per hectare increased from 1,662.9 million kgs in 2012-13 to 1,783.5 million kgs in 2013-14.

Exports

Tea exports from India, the world's second-biggest producer, dipped by 13.24% to USD 695.64 million during April-February this fiscal, bearing the continuing brunt of the double-dip recession. Commerce Ministry reports suggest that the exports during the same period last fiscal stood at USD 801.82 million. The Indian tea industry is expecting to achieve an export target of 230 million kgs in 2013-14.

Imports

Total tea imports have decreased by 3.5% to 19.88 million kgs in 2013-14 compared to last year, during which it was pegged at 20.62 kgs. India is the world's largest consumer of tea and imports black tea solely to re-export. A reduction in imports indicates that the re-export business fared poorly compared to the previous financial year.

Key numbers

India is the world's largest consumer, second largest producer and fourth largest exporter of tea after China and accounts for nearly 30% of the global output. Nearly, 25% of tea produced worldwide is consumed in India. In West Bengal and Assam there are around 8,500 tea estates, while in the southern states of Kerala, Karnataka and Tamil Nadu there are another 5,500 tea estates.

Tea industry demand drivers

The tea industry in India derives its importance by being one of India's major foreign exchange earners and for providing employment to more than one million workers. India is the second largest producer of tea in the world and contributes to around 30% of the global tea production. The Indian market size of tea is estimated at a primary level of ₹15,000 crores with a penetration of more than 90%. With an export of approximately 210 million kgs of tea, India is the fourth largest exporter of tea in the world. The tea sector in the country is largely organised since 72% of the total area under tea cultivation and 74% of the total production comes from the organised sector.

Health and wellness: Consumers are becoming increasingly aware about health issues playing a determining role in their choice of food products. With the passage of time and excellent marketing techniques, consumers are better aware of the health benefits of different varieties of tea like green tea among others. The demand for green tea in India grew at around 17% p.a. while the total production in 2013 was around 11 million kgs. For instance, all teas from the camellia tea plant are rich in polyphenols, which has antioxidant properties.

Emerging consumer demands: Drinking habits and lifestyles changes in the last one decade have shown that consumers are willing to pay more for quality teas. However, increasing consumer attention to the quality products, growing brand loyalty and active promotion by manufacturers reflect a shift from unbranded to branded products. A positive sign is that with rising demand from consumers, tea exports are likely to increase. The potential of domestic market should be utilised to retain India's position as the biggest consumer of tea, however, per capita tea consumption is still lower than some other tea consuming nations.

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.

Affordability: The beverage being cheap and affordable (₹5-10 per cup); nine out of 10 households consume tea.

Segment-wise or product-wise performance

Inspite of unpredictable weather conditions and pest attacks marginally affected the Company's crop in 2013-14. However, the production of your Company has increased from 58.72 lac kgs to 60.19 lac kgs tea made inspite of sale of Namsang Tea Estate last year which was producing 1.78 lac kgs of tea. The overall production has decreased from 109.12 lac kgs in 2012-13 to 100.98 lac kgs in 2013-14 due to the sale of Bought Leaf Factories. Average tea realisations increased from ₹153.37 per kg to ₹158.71 per kg due to improvement in quality of Company's produce.

Outlook

An ASSOCHAM study forecasts India's tea market to touch ₹33,000 crores by 2015, driven by an upsurge in demand from the domestic market. Consumption of tea has increased compared to increase in production, which will improve realisations. However, India needs to take a number of initiatives to strengthen its position in the global market and address emerging markets by further improving the quality as well as packaging standards, thereby enhancing product quality.

Risk and concerns

In any business, risks and opportunities are inseparable components. The Company's Directors and management keep this in mind while 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 implementation. These have been discussed in details in the risk management section of this Annual Report.

Internal control system and their adequacy

The Company implemented 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 entire 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 number of persons employed by the Company as on March 31, 2014 was 5,562.

FINANCIAL REVIEW, 2013-14

Analysis of Profit & Loss Account

- The Company's revenue from operations (net) increased by 68% from ₹2,417.43 crores in 2012-13 to ₹4,051.15 crores in 2013-14 owing to higher sales. Other income as a proportion of the total revenue stood at 0.77 %, reflecting the Company's focus on its core businesses.

- Owing to increased production, raw material expenditure increased by 60% to ₹3,283.50 crores in 2013-14 as against ₹2,055.62 crores in 2012-13.

- Employee costs increased by 7% to stand at ₹65.93 crores in 2013-14.

- Finance cost increased by 80% in 2013-14 on account of project loan of Plant-II and additional working capital loan for the full year, standing at ₹65.10 crores compared to ₹43.89 crores in 2012-13, resulting in an interest coverage ratio of 3.29 in 2013-14 (4.16 in 2012-13).

- Depreciation and amortisation expenses stood at ₹48.75 crores in 2013-14, a rise of 26% over the previous year.

- Other expenses for 2013-14 increased by nearly 60%, standing at ₹486.83 crores, owing to an increase in power and fuel expenses, stores and spare parts including packaging material expenses, freight, delivery and shipping charges and brokerage and commission expenses.

Analysis of Balance Sheet

Capital employed

The total capital employed increased by 7% in 2013-14 due to an increase in reserves and surplus by nearly 7%. Fixed assets (gross) of the Company increased by only 5%, mainly on account of additions in plant and equipment. The return on capital employed increased from 8% in 2012-13 to 9% in 2013-14. The equity capital of the Company was the same as the last year.

The long-term debt-equity ratio was 0.51 in 2013-14, remaining at same level as in 2012-13.

Application of funds

Capital work-in-progress increased by nearly 10% in 2013-14, standing at ₹129.14 crores as on March 31, 2014 compared to ₹117.59 crores as on March 31, 2013.

Investments

Non-current investments of the Company increased by 17%, standing at ₹263.08 crores as on March 31, 2014, largely on account of investments in subsidiaries.

Working capital

- Current assets as on March 31, 2014 stood at ₹1,623.84 crores after an increase of 9%. Current Ratio was 1.06 as on March 31, 2014 against 1.02 as on March 31, 2013.

- Current investments increased by 10%, standing at ₹36.29 crores as on March 31, 2014, mainly on account of investments in mutual funds.

- Inventories for 2013-14 stood at ₹463.05 crores as on March 31, 2014, increasing marginally by nearly 1%.

- Debts as on March 31, 2014 stood at ₹471.84 crores, a decrease of 10%. The debtors' cycle decreased to 46 days of turnover equivalent in 2013-14 from 59 days in 2012-13.

- The Cash and Bank Balance increased by nearly 45% to ₹271.53 crores as on March 31, 2014, largely due to the fixed deposits, which rose by 55% compared to last year.

- Other current assets increased by 30%, standing at ₹185.45 crores in 2013-14 mainly on account of incentives receivables.

- Current liabilities increased by 5%, standing at ₹1,537.95 crores as on March 31, 2014, mainly due to an increase in short-term borrowings and other current liabilities. Trade payables stood at ₹225.07 crores in 2013-14, a decrease of 11%, whereas, the other current liabilities increased by nearly 52%.

Note: The financial review has been done on a consolidated basis (i.e. taking into account both Petrochem and Tea Divisions) for a consistent comparison with the previous year.

ENVIRONMENT, HEALTH AND SAFETY

Over the last fiscal, the Company made significant investments across the environment, health & safety and management fronts. This was in addition to the ISO 9001, ISO 14001 and OHSAS 18001 certifications already in place for the Haldia Plant.

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 following initiatives were undertaken by the Company:

- Created dedicated environmental cells for the petrochem and tea divisions to review activities, report shortcomings and undertake steps towards augmenting efficiencies.
- Installed automatic closed conveyor system at the coal fired thermic fluid heater to collect bed ash into ash silos to avoid dust emission.
- Executed significant environmental impact assessment studies for new activities, reviewed existing processes and took corrective action as per the existing Environmental Management Plan.
- Kept a keen eye on effluent and water discharge to keep their respective levels below the established norms at the Haldia plant.
- Used low-sulphur coal to minimise SOx emission levels at the Haldia plant.
- Installed best-in-class air pollution control devices such as ESPs, bag filters, wet scrubbers among others to control emissions at the Haldia plant.
- Installed stack emission monitoring devices and online Ambient Air Quality Monitoring Station (AAQMS) at the Haldia plant.
- Carried afforestation measures around the factory, enhancing the foliage cover and minimising the adverse effects of pollution and preventing soil erosion and dust formation near the Haldia plant.
- Disposed hazardous waste regularly through CHE-TSDF in the Haldia plant.
- Reused treated water for various purposes like gardening, dust suppression, road cleaning among others in the Haldia plant.
- Monitored workplace noise levels (dB) constantly to ensure that they stay within the permissible limits.
- Invested proactively towards such conservational measures like rainwater harvesting and afforestation drive in the tea division.
- Disposed bio-medical waste generated from the tea garden hospital safely.
- Provided free primary education to the children of the tea garden workers.
- Used treated water for cleaning and humidification plant in the factory for improving the quality of tea.

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.

Petrochem division

- Established a fully-equipped occupational health centre manned by a qualified doctor to keep a watchful eye on employee health and well-being.
- Held free medical check-up camps round the year for all employees.
- Undertook occupational health surveillances programmes regularly for all employees.
- Provided 24x7 ambulance service van for emergencies.
- Provided training to administer first-aid to injured employees.

Tea division

- Continued with the malaria eradication programme introduced by the health department three years ago resulting in a 90% reduction in malaria cases over the last three years.
- Carried out prophylactic spraying in labour lines to check the outbreak of malaria.
- Provided free medical facilities at the garden hospital.
- Conducted medical camps where various immunisations and disease

preventive measures were undertaken.

- Provided training on first aid to the workers.
- Conducted periodic anti-alcohol drives.
- Provided 24X7 ambulance service van for emergencies.
- Maintained water filtration plants to ensure potable water supply.

Safety

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

- Inspected breathing apparatus and personal protective equipment periodically to ensure their proper usage at the Haldia plant.
- Improved existing fire handling system at the Haldia plant based on the recommendations given by independent consultants including the following:
- Provided 11 (eleven) approved jet and spray type high velocity water monitor at different strategic locations to combat fires at high elevations.
- Provided high velocity water spray nozzle in all electrical transformer areas.
- Installed IR beam detectors inside FGS and RMS godown to detect smoke
- Maintained a stringent work permit system at the Haldia plant.
- Completed HAZOP study in Plant-II and monitored the same in both the plants at Haldia.
- Provided convex mirrors at strategic locations in the Haldia plant premises as a road safety measure.
- Undertook safety audits mediated by the internal team and external agencies in the Haldia plant as well as in the tea gardens.
- Carried out regular safety rounds and safety meetings to improve day-to-day safety in both the divisions.
- Continued to carry out hazards identification and risk assessment measures in both the divisions.
- Undertook a comprehensive Hazards Management Plan (HMP) in both the divisions.
- Conducted mock safety drills periodically in the petrochem and tea divisions.
- Strengthened fire safety measures by providing latest equipments and laying of pipeline with hydrants for water supply in tea factories.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the norms laid down by the Companies Act, 2013, the Company has already constituted a Corporate Social Responsibility Committee (CSR Committee) and has framed its Corporate Social Responsibility policy accordingly.

Earlier the Company used to route its CSR activities through the Dhanuka Dhunseri Foundation (DDF). The contribution from FY 2014-15 will be in accordance with the CSR policy of the Company indicating the activities to be undertaken by the Company.

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

During the year, the Foundation undertook initiatives to provide primary education to 303 children, graduation courses to 532 girls and medical treatment to 54,412 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.

RISK MANAGEMENT

Risk is the manifestation of business uncertainty, affecting corporate performance and prospects.

As a diversified enterprise, Dhunseri has had a systems-based approach to risk management.

A combination of centrally-issued policies and divisionally-evolved procedures brings robustness to the process of ensuring business risks being effectively addressed.

The senior management periodically reviews the risk management framework to maintain contemporariness and address emerging challenges in a dynamic environment. This prudently balances risk and reward leading to shareholder value growth.

1 INDUSTRY RISK

Unfavourable economic conditions or slowdown in select sectors (petrochem or tea) could impact offtake.

Risk mitigation:

Petrochem

- Global demand for PET resin is expected to grow at 6.7% on a year-on-year basis.
- The Indian packaging industry which is currently valued at around USD 24.6 billion is expected to grow to USD 32 billion in the next two to three years growing at the present annual growth rate of 13-15%.
- Dhunseri Group is among the top ten PET resin manufacturers in the world.

Tea

- Country's tea production increased by 6.5% to 1,200 million kgs in 2013, against 1,126.33 million kgs a year ago, as per a report by the Indian Tea Association (ITA).
- During 2008 to 2013, black tea production in India increased at a CAGR of 1.6% while consumption rose at a CAGR of 2.3%. As a result, inventory levels more than halved over the last five years to about 2.6 months of consumption in 2013. Consequently, average pan-India tea prices increased by 9% CAGR during the same period.
- The Company's international gardens (Malawi) address the tastes and preferences of consumers in Europe.

2 QUALITY RISK

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

Risk mitigation:

Petrochem

- The Company invested in a state-of-the-art PET resin manufacturing technology from Germany.
- Dhunseri has consistently invested in world-class state-of-the-art technologies translating into qualitative uniformity, high operating efficiencies and environmentally safe processes.
- Mission-critical raw materials (PTA and MEG) are procured from dependable vendors.
- The Company has been bestowed with the ISO 9001:2008 certification.

Tea

- The Company periodically modernised its tea factories through progressive asset investments.
- 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.
- All nine gardens with factories are FSSAI licensed and ISO 22000:2005-certified for food and safety.

3 ASSET QUALITY RISK

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

Risk mitigation:

Petrochem

- Proactive plant maintenance and upgradation ensure higher plant uptime and asset utilisation.

Tea

- Tea processing is increasingly automated to improve productivity and achieve lower production costs.

4 OPERATIONS RISK

Increase in cost of operations could adversely impact the Company's profitability.

Risk mitigation:

Petrochem

- Commercial production has commenced in Line-I and Line-II of our Egypt project in February 2014 and May 2014 respectively.
- The energy costs are expected to reduce with the 10 MW captive power plant coming into operation in Haldia.
- The Company has commissioned the MEG pipeline to transport imported MEG from port to MEG tanks in the factory at Haldia which will help in reducing the logistics cost.
- Optimum resource utilisation at the Haldia plant-I and plant-II has helped reduce overheads.

Tea

- Operating costs have been rationalised by revamping the existing automation.
- All the plants operate efficiently resulting in reduced overheads.

5 MARKETING RISK

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

Risk mitigation:

Petrochem

- Following expansion, Dhunseri Group recruited marketing representatives to market products worldwide.
- The Company's ASPET brand is respected across around 55 countries.

Tea

- The famous actress Hema Malini was appointed to promote the branded packet tea sales in Rajasthan where the Company's tea brands are popular on account of quality and packaging.
- The Company improved on its packaging and also embarked upon advertising regularly in news papers
- 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

- Our new PET resin manufacturing plants in Egypt and existing plant in Haldia (including the expansion) have been 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 FOREIGN EXCHANGE RISK

Currency volatility and floating LIBOR could adversely impact the Company's profitability.

Risk mitigation:

- The Company is partially hedged naturally owing to both import and export of finished products.
- The Company has successfully hedged the interest rates of its international borrowings by moving from floating LIBOR to fixed LIBOR rates.

DIRECTORS' REPORT

Dear members

Your Directors have pleasure in presenting the Ninety Eight Annual Report of your Company together with the Audited Statement of Accounts for the year ended March 31, 2014.

Restructuring

Your Company has undertaken restructuring initiatives for (i) demerger of the Tea Division of your Company to Dhunseri Tea & Industries Ltd. (DTIL) (formerly known as Dhunseri Services Limited) and (ii) reorganisation of IT SEZ Division of your Company by its transfer to Dhunseri Infrastructure Limited (DIL) (formerly known as Dhanurveda Infrastructure Private Limited) under a Scheme of Arrangement.

In consideration of the demerger, DTIL will issue and allot to the shareholders of your Company, 1 Equity Share of ₹ 10/- each in DTIL credited as fully paid up for every 5 Equity Shares of ₹ 10/- each fully paid-up held by them in the capital of your Company. The existing 50,000 Equity shares of ₹ 10/- each in DSL shall stand cancelled upon issue and allotment of such new shares in DSL to the shareholders of your Company.

In consideration of the reorganisation, DIL will (i) issue and allot 50,00,000 Equity Shares of ₹ 10/- each credited as fully paid up in DIL to your Company and (ii) pay to your Company in cash within a period of five years from the Effective Date, in terms of the Scheme, the net asset value (book value of assets less liabilities) of the IT SEZ Division as on the Appointed Date (i.e. April 1, 2014) as reduced by the aggregate face value of the said shares to be issued and allotted to your Company.

The appointed date in respect of the Scheme being April 1, 2014, the report and accounts for the year ended March 31, 2014 contains the merged figures for all the Divisions of the Company.

The aforesaid Scheme of Arrangement has obtained the approval of the Stock Exchanges (both NSE & BSE). Further on an application being made, the Hon'ble High Court at Calcutta has ordered for holding the Company's shareholders meeting (to be convened by Court appointed Chairman) on June 16, 2014 for their consent to the Scheme of Arrangement.

Accordingly, the Scheme is subject to approval of the requisite majorities of the members of DPTL, DTIL and DIL and sanction by the Hon'ble High Court at Calcutta and other relevant authorities.

Financial Results

(₹ in crores.)

	2013-14	2012-13
Turnover and other income	4082.78	2,452.84
Profit before interest and depreciation	214.49	182.25
Interest	65.10	43.81
Profit before depreciation	149.39	138.44
Profit for the year	100.64	99.85
Provision for tax		
- Current tax	15.15	13.06
- Deferred tax	13.71	11.80
- Adjustments of earlier years	(2.93)	(1.95)
Profit after tax	74.71	76.94
Amount brought forward from previous year	126.17	75.25
Amount available for appropriation	**200.88**	**152.19**
Appropriation proposed:		
Transfer to General Reserve	7.49	7.70
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	2.75	2.56
Balance carried to Balance Sheet	**174.88**	**126.17**

Note: The figures in the above financial results have been given on a consolidated basis (i.e. taking into account both Petrochem and Tea Divisions) for a consistent comparison with the previous year.

Dividend

Your Directors recommended a dividend @ ₹ 4.50/- per equity share of ₹ 10 /- each for the year ended March 31, 2014, maintaining the last year's rate, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Performance

Petrochem Division

With the commissioning of Plant II at Haldia the production of PET resin increased from 2,69,249 MT in 2012-13 to 4,12,038 MT in 2013-14 thus achieving more than 100% capacity utilization for both the plants taken on a combined basis.

The domestic sales volume increased from 138553 MT in 2012-13 to 172732 MT in 2013-14 i.e. an increase by 25%.

The export sales volume increased from 113087 MT in 2012-13 to 241454 MT in 2013-14 i.e. an increase by 113%.

The margins remained under pressure in the 2nd half of the year in case of exports in view of price pressure due to competition from certain countries coupled with the decrease in the export incentive effective September, 2013.

Further the MEG pipeline from the port to the plant for transferring imported MEG from the vessel to the MEG tank inside the Plant was commissioned in March, 2014.

The 10MW Captive Power Plant (CPP) of the Company at Haldia was commissioned in May, 2014.

The commissioning of the MEG pipeline and the 10MW CPP are expected to result in cost savings.

Tea Division

Sporadic attack of pests likes looper, helopeltis, red slug and thrips, which were evident in most of the gardens, have been controlled by timely spraying of insecticides. Irrigation was used in all four North Bank gardens and continued till first week of May, 2014 to mitigate the ill effects of drought.

The current year's protracted winter as well as pre-monsoon dry spell for almost six months may be termed as unprecedented. It has left the bushes to survive in stressful conditions in the Upper Assam where there was no irrigation facility barring small young tea areas to be covered.

Due to radiation and temperature stress, scorching of tea leaves have been reported in small patches of some of the tea estates. However, prolonged rainless period coupled with 40ºC temperature, 20% to 50% humidity against a normal of 50% to 90% has severely affected the bushes with virtually no leaf for plucking towards the end of April. The visual symptoms of wilting of tea leaves were also noticed in several patches. Dilli and Khagorijan Tea Estates suffered more due to severe drought, as there was less rainfall since October, 2013. Your Company is considering irrigation at Dilli T.E for the coming season due to continuous drought in the area for the past two years.

The overall production has decreased from 109.12 lac kgs in the FY 2012-13 to 100.98 lac kgs in the FY 2013-14 due to sale of Bought Leaf Factories. Overall sale price increased by ₹ 5.35 per kg as compared to previous year due to overall improvement in quality of teas produced.

Prospects

Petrochem Division

With the commissioning of the Pet Resin plant of the subsidiary in Egypt, the consolidated Pet Resin manufacturing capacity of your Company with its subsidiary Egyptian Indian Polyester Company S.A.E. (EIPET) has become 8,30,000 TPA.

In view of EC's review of Antidumping and subsequent withdrawal of Antidumping duty on PET Resin, exports from your Company to Europe suffered because of withdrawal of price undertaking from February, 2014. Exports to Europe from your Company has thus stopped. Your Company is required to sell PET Resin in alternative markets and faces surmountable challenges. However with the commissioning of the Egypt plant, the supplies to Europe are being made through your Company's subsidiary EIPET.

We are having pressure on margins in both domestic and international fronts. In the international front the capacity increase in certain countries has resulted in price pressure. Further this has also led to imports of PET Resin into India which has also resulted in pressure on margins in the domestic market.

The domestic PTA producers have initiated antidumping procedures against the entire polyester industry. The polyester and textile industry have represented the matter before appropriate authority and the decision thereof is in abeyance.

Going forward the FY 2014-15 will be a challenging year in view of the increase in the market competition and price realisation.

Tea Division

The crop prospect appears to be good this year after long spell of drought broken by well-distributed and continuous rainfall from end of April, 2014. Your Company mitigated the ill effect of drought to a large extent in North Bank gardens by continuous irrigation.

Your Company's branded teas got good response from consumers due to its quality and helped in achieving marginal increase in sale quantity as compared to previous year and it is expected that there should be at least 4-5% increase in overall sale of packet teas in Rajasthan.

The tea market is expected to remain good in the coming years especially for quality teas. Your Company's current tea production is 10 million kgs and is expected to increase by 5-6%.

Continued emphasis is being given on manufacturing quality teas, which have yielded favourable results in some gardens. Now all the gardens have been brought under similar manufacturing process to improve the quality as well as grade mix and there should be substantial improvement in overall quality of teas to be produced by your Company in the Season 2014.

The factories have been renovated by installing new machineries with increased output. However, the production will depend on availability of green leaf at competitive price in the area.

Barring unforeseen circumstances, the performance of the Tea Division in the coming year is expected to be satisfactory.

IT SEZ Division

As was informed in the last Year's report, the civil construction of the first phase of 'Dhunseri IT Park' at Bantala having a built up area of 3,70,000 sq. ft., had been completed and it was ready for MEP and other Exterior works. However the work has been kept on hold and would be taken up only once some favourable response was received.

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 Section 217(2A) of the Companies Act, 1956

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Auditors

M/s Lovelock & Lewes, Chartered Accountants, are the present Statutory Auditors of your Company and shall hold office till the end of this Annual General Meeting. They have already completed the term of ten years of appointment as the Statutory auditors of your Company. Hence in terms of the Companies Act, 2013 they can now be re-appointed as auditors for another term of 3 years only (which is the transition phase). Hence M/s Lovelock & Lewes, Chartered Accountants, who retire on the conclusion of this Annual General Meeting, being eligible, offer themselves for reappointment for a period of three years.

Directors

Mr. R.K.Sharma, Director of your Company will retire at this Annual General Meeting by rotation, and being eligible, offer himself for reappointment. Your Directors recommends his reappointment as Director of your Company.

During the year Mr.B.Bajoria ceased to be a Director of your Company consequent to his resignation. Your Board of Directors wishes to place on record their sincerest appreciation for the contribution made by him during his tenure.

In terms of the requirement of the Companies Act, 2013 the Independent Directors of the Company, namely Mr. P.K.Khaitan, Mr. J.P. Kundra, Dr. B.Sen, Mr. A. Bagaria, Mr. R.N.Bhardwaj, Mr. D.P.Jindal will be appointed for a term of five years w.e.f the date of this Annual General Meeting once the approval of the shareholders at this Annual General Meeting is obtained. All these Directors will not be liable to retire by rotation. Your Directors recommend approval of their appointment.

In view of the enactment of the Companies Act, 2013 the changes in the Independent Directors and the Directors liable to retire by rotation has been reflected in the table under the Composition of Board in the Corporate Governance report which is set out as separate annexure to this report.

Mr. C.K.Dhanuka will be re-appointed as the Executive Chairman of the Company w.e.f. January 1, 2015, based on the approval of the Board at its meeting held on May 22, 2014, subject to the approval of the members at this Annual General Meeting. Your Directors recommend approval of his reappointment as the Executive Chairman of the Company.

Fixed Deposits

The Company has not accepted any deposits from the public. There were no outstanding balances relating to FDs as at the beginning and end of the FY 2013-14.

Subsidiary Company

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

Production commenced in Line-1 and Line-2 of EIPET's plant in January, 2014 and May'2014 respectively and quality product had been achieved immediately.

The cost of EIPET's project in Egypt increased by USD 9 million, i.e. from USD 160 million to USD 169 million due to delay in implementation of the project on account of force majeure situations a number of times in Egypt.

Your Company's share in increased project cost of EIPET of USD 9 million was USD 6.3 million. All the shareholders of EIPET have contributed towards additional equity participation.

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

During the year your Company had sold its investment in Dowamara Tea Company Pvt. Ltd. (DTCPL), subsequent to which it had ceased to be a Wholly Owned Subsidiary (WOS) of your Company.

3) Dhunseri Tea & Industries Ltd. and Dhunseri Infrastructure Ltd.

In view of the Scheme of Arrangement, during the year ended March 31, 2014, the Company has acquired 50,000 equity shares @ ₹ 10/- each in both M/s Dhunseri Infrastructure Ltd. (formerly M/s Dhanurveda Infrastructure Pvt. Ltd.) and M/s Dhunseri Tea & Industries Ltd. (formerly M/s Dhunseri Services Ltd.) i.e. at a total cost of ₹ 5,00,000/- each.

Accordingly the M/s Dhunseri Infrastructure Ltd. and M/s Dhunseri Tea & Industries Ltd. have become the Wholly Owned Subsidiaries of the Company.

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

It was informed in the last report that the Company's investment in Egyptian Indian Polyester Company S.A.E. (EIPET) would be transferred to DPTPL. However in view of the proposed restructuring, post demerger of the Tea Division of your Company, the said subsidiary along with its investment in Makandi Tea and Coffee Estates Ltd. & Kawalazi Estate Company Ltd. will be transferred to Dhunseri Tea & Industries Ltd. and the investment in EIPET will be held by your Company itself.

5) Makandi Tea and Coffee Estates Ltd. (MTCEL) & Kawalazi Estate Company Ltd. (KECL):

MTCEL which is the subsidiary of the Company, (being the subsidiary of DPTPL), accounted for a net profit after tax of USD 3.09 million during the year ended December 31, 2013. MTCEL produced 5.21 million kgs of Tea and 1.43 lac kgs of Macadamia kernel during the year ended December 31, 2013.

KECL which is the subsidiary of the Company, (being the subsidiary of DPTPL), accounted for a net profit after tax of USD 0.55 million during the year ended December 31, 2013. KECL produced 3.6 million kgs of Tea and 1.78 lac kgs of Macadamia kernel during the year ended December 31, 2013.

Subsidiary Accounts

Ministry of Corporate Affairs, in accordance with the General Circular issued by it, has granted exemption to the companies, 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 May 22, 2014, has consented for not attaching the annual accounts of the subsidiaries 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.

The financial year end of Egyptian Indian Polyester Company S.A.E. is 31st December. Accordingly, though the said subsidiary's operations have commenced in the quarter ended March, 2014, the revenues derived therefrom are not included in the Consolidated Financial Statements of the Company.

Cost Audit

Your Company is under the purview of Cost Audit 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.

Committees of Directors

The Board of Directors have aligned the existing Committee of the Board with the provisions of Companies Act, 2013 (Act). Accordingly, the Company has renamed its existing Remuneration Committee as Nomination and Remuneration Committee and have delegated to it powers as required under Section 178 of the Act. The existing Shareholders' Grievance Committee has been renamed as "Stakeholders' Relationship Committee".

The scope of Audit Committee has also been widened so as to bring it in accordance with the requirement of the Section 177 of the Companies Act, 2013.

The Company has also constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013.

Corporate Social Responsibility

Your Company recognises the needs and expectations of its internal and external stakeholders. It strives at fulfilling its corporate responsibilities towards community development. 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.

In pursuance of the Companies Act, 2013, as mentioned above, your Company has already constituted a CSR Committee and has made its Corporate Social Responsibility Policy.

As reported in the last year's report your Company would be routing its CSR activities through Dhanuka Dhunseri Foundation (DDF) and will contribute in accordance with the CSR policy of the Company.

DDF acts as the vehicle through which the CSR activities of the Company are carried out across the various parts of the country. DDF 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.

Tea Division

Your Directors wish to inform you that the ISO 22000:2005 certification for Hatijan Tea Estate had also been received. Accordingly all the Tea Estates of the Company with factories are ISO 22000:2005 certified.

Environment, Health and Safety

Environmental, health and safety is of great importance to your Company. Your Company continuously strives to ensure environment sustainable practices and provide a safe and healthy workplace for its employees. It aims at proper waste management and disposal to ensure healthy and safe environment.

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 crores. 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 crores of the Company for a maturity of 10 years.

Further at the request of your Company, CARE has withdrawn the ratings assigned to the Non-Convertible Debenture issue of ₹ 100 crores, which your Company had earlier proposed to issue.

Crisil Equities Grading

Your Directors inform that CRISIL Equities vide its Independent Equity Research report has assigned a CRISIL IER fundamental grade of 3/5 (pronounced three on five) to the Company. The grade indicated that the Company's fundamentals were 'good' relative to other listed equity securities in India. CRISIL Equities has assigned a valuation grade of 5/5 (pronounced five on five).

Employees

Your Company believes that 'employees' are the most valuable assets of any organization. Your Directors wish to place on record their deep sense of appreciation for the co-operation, dedication and committed services by all the employees of your Company which plays a pivotal role in the growth of your Company.

Acknowledgement

The Directors wish to place on record their sincere appreciation for the whole-hearted support received from 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, International Finance Corporation, Washington, Punjab National Bank, Standard Chartered Bank, State Bank of India, The Hongkong and Shanghai Banking Corporation Limited, The Ratnakar Bank Limited, UCO Bank, United Bank of India, West Bengal Industrial Development Corporation Limited, 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: May 22, 2014

C. K. Dhanuka
Executive Chairman

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 March 31, 2014.

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. **Installation of capacitor bank for power factor improvement:** Power Factor in Electrical system of WBSEB was earlier 0.84 and for that energy consumption from WBSEB was comparatively high. To reduce Energy loss we have introduced Capacitor bank and achieved 0.98 Power Factor.

2. **Installation of air receiver at Chip conveying system:** In the original Zimmer system, the outlet of all the five Aerzener Compressors (for Chips Conveying) were connected with a common conveying header. As a result, the compressors ran always in full-load mode consuming excessive energy. To optimize the compressor operation cycle, it was decided to install a 20 M3 receiver just at the outlet of Chips conveying Compressors. The main header is connected to inlet of the Receiver and Receiver outlet is connected to the chips conveying distribution circuit. The aim is to maintain a buffer stock to cater to fluctuating loading-unloading cycle.

Tea Division

Vibratory Fluidised bed dryer of higher output has been installed in all the factories by replacing old conventional dryers which are energy efficient.

Phased replacement of old Generator sets with fuel efficient new Generator sets resulted in more KWH per litre of diesel at Dhunseri & Bettybari Tea Estates. Cost of unit generation has come down by almost ten percentage point.

New milling machines for roller sharpening installed at our factories has reduced sharpening time resulting in saving of power in the workshop.

Coal saver has now been installed in all coal-fired heaters for maintaining the temperature thereby saving on overall coal consumption by almost 3-4%.

Supply of high calorific value coal with less ash content has reduced coal ratio and helped in making correct temperature in the Heaters thereby reducing overall energy cost by 4-5%.

Automatic Voltage Regulator installed at Hatijan has helped the Factory to utilize the grid fully during its availability even at low voltage supply. New Automatic Voltage Regulator will be installed in other factories in a phased manner.

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. Replacement of conventional Street lights with LED type.
2. Modification in lighting circuits at plant areas.

Tea Division

Efficient gas burners are being installed in a phased manner which will bring down the consumption of gas in FY 2014-15.

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 in FY 2014-15.

Tea Division

The energy conservation measures have resulted in saving of 4-5% in both gas and electricity consumption. It is expected that there will be further saving in coal consumption during the year 2014-15.

Form A

Form for disclosure of particulars with respect to conservation of energy

		Current year ended March 31, 2014	Previous year ended March 31, 2013
A.	**Power & Fuel Consumption**		
1.	**Electricity**		
a)	Purchased units (lacs KWH)	249.18	118.94
	Total Amount (₹ lacs)	1791.42	881.86
	Rate / Unit (₹/KWH)	7.19	7.41
b)	Own Generation		
i)	Through Diesel Generator Units (lacs KWH)	18.37	20.94
	Units per ltr. of fuel	2.96	2.75
	Cost/unit (₹/KWH)	17.97	16.49
ii)	Through F O generator units (lacs KWH)	100.27	31.39
	Units per kg of fuel	4.13	4.32
	Cost/unit (₹/KWH)	10.45	9.56
iii)	Through gas generator units (lacs KWH)	8.11	10.15
	Units per S cum of fuel	2.35	3.09
	Cost/unit (₹/KWH)	4.37	3.18
iv)	Through turbine generator units (lacs KWH)	624.08	588.29
	Units per MT of fuel	940.76	741.76
	Cost/Unit (₹/KWH)	3.86	3.72
2.	**Coal (Note 1&2)**		
	Quantity (MT)	71,728.73	60,439.37
	Total cost (₹ lacs)	3,126.40	1,703.96
	Average rate (₹/MT)	4,358.65	2,819.29
3.	**Furnace Oil (for heating)**		
	Quantity (MT)	1,723.30	801.28
	Total cost (₹ lacs)	765.06	328.84
	Average rate (₹/MT)	44,394.86	41,039.52
4.	**Gas**		
	Quantity (lacs S cum)	30.77	30.36
	Total cost (₹ lacs)	290.65	274.03
	Average rate (₹/S cum)	9.45	9.03

		Standard (if any)	Current year ended March 31, 2014	Previous year ended March 31, 2013
B.	**Consumption Per Unit of Production**			
	Product- Tea			
	Tea produced (lac kgs.)		100.98	109.12
	Electricity (KWH)	0.90	0.88	0.86
	Coal (kg.) (Khasi coal)	0.90	0.36	0.37
	Gas (S cum)		0.30	0.28
	Product- Polyethylene Terephthalate (PET) Resin			
	PET produced (MT)		4,12,038	2,69,249
	Electricity (KWH/MT)	243	221.14	250.88
	Furnace oil (Kg/MT)		4.18*	2.98
	Coal (Kg /MT) (Imported Indonesian Coal/steam coal/ROM coal)	170	165.31	209.67

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.

* Used as redundant power supply, only when grid supply is not available.

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 2013-14 to achieve significant development in quality and to make the product compliance to changing international criteria.

   a) Zero discharge plant: The treated effluent in compliance with the discharge norms of WBPCB are usually discharged. For preservation of water, an important natural resource and environmental protection, the Company through extensive R & D activities has finalized a plan to prepare fresh water from the treated effluent water and reuse the same in the process plant. As a result, no treated effluent will be discharged making the plant at Haldia a zero discharge plant. The same would eventually symbolize the Company's commitment for preservation of natural resources and make the Company's venture more eco friendly. The ground work has already been started for achieving zero discharge plant status.

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

   ASPET brand PET will be more environmental friendly.

3. **Future plan of action** - Commissioning of the set up: By first quarter of FY 2014-15.
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: NA

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

As informed in the last year's report, material procurement for required modification of existing plant to produce Barrier PET was completed. However due to insufficiency of demand, 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- ₹ 2,030.11 crores.
2. Foreign exchange outgo- ₹ 1,364.22 crores.

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 55 countries currently. Your Company exported around 240,000 MT in 2013-14 vis- a vis 113000 MT in 2012 -13 a 113% growth in terms of volumes. The substantial increase is because of the increased production.

There are no exports in respect to tea.

Initiatives taken to increase exports:

With the onset of added capacity your Company's export sales strategy changed minutely by adding few financing partners to its business as compared to the last year.

The partners helped in channelizing the funds in a more effective manner, it helped in better cash flow for your Company as the working capital was not blocked and thus the funds were utilized more effectively.

Your Company also tried to reach the door steps of companies in Europe and America by doing DDP shipments so as to give them hassle free and timely delivery of their orders.

Your Company's focus was in developing strong relationships with its customers for long-term business, through better brand visibility and world class services.

Your Company has maintained direct contact and sales to customers as they have always helped your Company understand customer-specific needs and also given it better bottom lines with the decreased mediators. Your Company has thus been able to guide them for appropriate products and have provided them with customized services and solutions to strengthen its bond.

Development of new export markets for products and services:

Your Company apart from targeting the strong and regular customers in Europe, USA & Latin America has also now focused at newer horizons, in view of the expanding capacities.

Your Company reached out to new customers in Africa, Middle East, Russia and South East Asian nations apart from the existing ones.

Your Company also expanded its reach to the customers by engaging exclusive sales consultants in different parts of the world so as to monitor closely the growing markets and encash on every new opportunity and thus leave no stone unturned.

Export plans:

Your Company's plans for 2014-15 is as aggressive as ever and believes in reaching to each and every customer in every part of the world, so that its huge volume capacities are exhausted giving it the confidence to run its plant at more than 100% capacity.

By doing this your Company would be able to optimize costs with economies of scale. However your Company's focus is on the market which will give optimum returns and netback.

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 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 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 March 31, 2014, 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 Promoter Not liable to retire by rotation
Mr. Mrigank Dhanuka	Vice Chairman & Managing Director Promoter Liable to retire by rotation**
Mr. Biswanath Chattopadhyay	Managing Director & Chief Executive Officer Liable to retire by rotation**
Mr. Rajiv Kumar Sharma	Executive Director (Finance) Liable to retire by rotation
Mr. Pradip Kumar Khaitan	Non-Executive & Independent Director* Not Liable to retire by rotation**
Mr. Bharat Bajoria***	Non- Executive & Independent Director Not Liable to retire by rotation
Mr. Yves F Lombard	Non-Executive & Non-Independent Director Liable to retire by rotation

Name of the Directors	Position
Mr. Joginder Pal Kundra	Non- Executive & Independent Director* Not Liable to retire by rotation**
Dr. Basudeb Sen	Non- Executive & Independent Director* Not Liable to retire by rotation**
Mr. Anurag Bagaria	Non- Executive & Independent Director* Not Liable to retire by rotation**
Mr. Raj Narain Bhardwaj	Non-Executive & Independent Director* Not Liable to retire by rotation**
Mr. Dharam Pal Jindal	Non- Executive & Independent Director* Not Liable to retire by rotation**

*As per the provisions of the Companies Act, 2013, read with relevant Rules made thereunder and based on the Certificate of Independence received, the Independent directors of the Company are being appointed in the ensuing Annual General Meeting (AGM) for a period of five years w.e.f the date of AGM and are not liable to retire by rotation.

** In order to comply with the provisions section 152 of the Companies Act, 2013, there has been a change in the Directors who are liable to retire by rotation. The position as on May 22, 2014 is reflected above.

*** Resigned w.e.f. May 13, 2014.

The details of Directors who are appointed/re-appointed are given in the Annexure to the Notice, under the head Information Pursuant to Clause 49 of The Listing Agreement.

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 March 31, 2014 are 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	9	3	2
Mr. M. Dhanuka	Share Transfer Committee Investment Committee Risk Management Committee	7	2	None
Mr. B. Chattopadhyay	Shareholders' Grievance Committee Share Transfer Committee Investment Committee Risk Management Committee	None	None	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. R. K. Sharma	Share Transfer Committee Investment Committee Risk Management Committee	1	None	None
Mr. P. K. Khaitan	Remuneration Committee	14	4	None
Mr. B. Bajoria	Audit Committee Remuneration Committee Investment Committee	7	2	None
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	3	1	1
Mr. A. Bagaria	None	None	None	None
Mr. D. P. Jindal	None	7	2	None
Mr. R. N. Bhardwaj	None	11	10	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 of the Listing Agreement across all the Companies in which he is a Director.

Necessary disclosures regarding Committee position in other public companies as at March 31, 2014 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 2013-14.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
	May 14, 2013	August 1, 2013	October 31, 2013	January 28, 2014	February 15, 2014	August 1, 2013
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	Yes	Yes	Yes
Mr. B. Bajoria	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Y. F. Lombard	No	Yes	No	Yes	No	Yes
Mr. J. P. Kundra	Yes	Yes	Yes	Yes	No	Yes
Dr. B. Sen	Yes	Yes	Yes	Yes	Yes	Yes
Mr. A. Bagaria	No	No	No	Yes	No	No
Mr. D. P. Jindal	No	Yes	No	No	No	No
Mr. R. N. Bhardwaj	Yes	No	Yes	Yes	No	No

Note: During 2013-14, 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 have affirmed compliance with the Code of Conduct and the Managing Director & CEO of the Company has confirmed the same.

e) Risk Management Committee

The Company has constituted the Risk Management Committee, comprising of the Vice Chairman & Managing Director, Managing Director & Chief Executive Officer (acting as a Chief Risk Management Officer of the Committee), Executive Director (Finance) of the Company and Senior Management officials, 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 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 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 2013-14. The attendance of the Directors at the said meetings was:

Members of the Audit Committee	Audit Committee Meetings held on			
	May 14, 2013	August 1, 2013	October 31, 2013	January 28, 2014
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

*Note: Mr. B. Bajoria resigned w.e.f May 13, 2014 and Mr. Anurag Bagaria was inducted as a member of Audit Committee w.e.f May 22, 2014.

The Board at its meeting held on May 22, 2014 has reset the role of the Audit Committee to comply with the requirements of Section 177 of the Companies Act, 2013.

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 Petrochem Division and Tea Division maintained by the Company for the financial year ending March 31, 2014.

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 Petrochem Division and Tea Division for the year ended March 31, 2013 were discussed and approved. The Cost Audit Report for the Petrochem Division and Tea Division was filed by M/s. Mani & Co., Cost Accountants for the year ended March 31, 2013 on August 29, 2013. The due date for filing of the same in XBRL mode for the financial year ended March 31, 2013 was September 27, 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 Petrochem Division and Tea Division for the financial year ended March 31, 2014 is September 27, 2014 within which the said report would be filed.

4. Remuneration Committee

The Remuneration Committee was reconstituted on May 2, 2012 with inclusion of Mr. B.Bajoria, Non-Executive & Independent Director and the committee comprises of 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 2013-14. The attendance of the Directors at the said Meeting was:

Members of the Remuneration Committee	Remuneration Committee Meeting held on
	May 14, 2013
Dr. B. Sen, Chairman, Remuneration Committee	Yes
Mr. C.K.Dhanuka	Yes
Mr. P. K. Khaitan	No
Mr. J. P. Kundra	Yes
Mr. B. Bajoria*	Yes

* Note: Mr. B. Bajoria resigned w.e.f May 13, 2014.

Details of remuneration for the year ended March 31, 2014:

(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	15,90,000	10,70,591	1,90,800	2,45,56,500	Nil	2,74,07,891
Mr. M. Dhanuka	54, 90, 000	27,46,035	3,81,600	1,00,00,000	12,00,000	1,98,17,635
Mr. B.Chattopadhyay	54, 90, 000	23,00,738	3,81,600	Nil	12,00,000	93,72,338
Mr. R.K.Sharma	38,88,000	13,47,227	2,53,440	Nil	8,00,000	62,88,667
Total	**1,64,58,000**	**74,64,591**	**1,207,440**	**3,45,56,500**	**32,00,000**	**6,28,86,531**

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 March 31, 2014:

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 March 31, 2014:

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

During the financial Year 2013-14, the following were the remuneration paid to the Non-Executive Directors for attending Board Meeting and other Committee Meetings:

Name of the Director	Board Committee Memberships in the Company	Total sitting fees Received (₹)
Mr. P. K. Khaitan	Remuneration Committee	80,000
Mr. B. Bajoria	Audit Committee Remuneration Committee	1,50,000
Mr. Y. F. Lombard	None	40,000
Mr. J. P. Kundra	Audit Committee Remuneration Committee Shareholders' Grievance Committee	1,50,000
Dr. B. Sen	Audit Committee Remuneration Committee Shareholders' Grievance Committee	1,70,000
Mr. A. Bagaria	None	20,000
Mr. D. P. Jindal	None	20,000
Mr. R. N. Bhardwaj	None	60,000

The Board at its meeting held on May 22, 2014 has changed the name of the Remuneration Committee to **"Nomination and Remuneration Committee"** and has reset the role of the Committee to comply with the requirements of Section 178 of the Companies Act, 2013.

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 2013-14. The attendance of the Directors at the said meetings was:

Members of the Shareholders' Grievance Committee	Shareholders' Grievance Committee meeting held on			
	May 14, 2013	August 1, 2013	October 31, 2013	January 28, 2014
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 5 investor complaints during the year ended March 31, 2014 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.

The Board at its meeting held on May 22, 2014 has changed the name of the Shareholders' Grievance Committee to **"Stakeholders Relationship Committee"** and has approved the change in the role of the Committee to include in its ambit the grievances of all the security holders in terms of the requirements of Section 178 of the Companies Act, 2013.

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. We have established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL).

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
April 1, 2013	Yes	Yes	No	Yes	No
April 9, 2013	Yes	Yes	Yes	Yes	Yes
April 30, 2013	No	Yes	Yes	Yes	Yes
May 9, 2013	Yes	Yes	Yes	Yes	Yes
May 14, 2013	Yes	Yes	Yes	Yes	Yes
June 12, 2013	Yes	Yes	Yes	Yes	Yes
June 20, 2013	Yes	Yes	Yes	Yes	Yes
July 8, 2013	Yes	Yes	Yes	Yes	Yes
August 27, 2013	Yes	Yes	Yes	Yes	No
September 24, 2013	Yes	Yes	Yes	Yes	No
October 15, 2013	No	Yes	Yes	Yes	No
November 8, 2013	Yes	No	Yes	Yes	Yes
December 11, 2013	Yes	Yes	No	Yes	Yes
December 23, 2013	Yes	Yes	Yes	No	Yes
January 2, 2014	Yes	No	Yes	Yes	Yes
January 16, 2014	Yes	Yes	Yes	Yes	Yes
January 28, 2014	Yes	Yes	Yes	Yes	Yes
February 12, 2014	Yes	Yes	Yes	Yes	Yes
March 5, 2014	Yes	Yes	Yes	Yes	Yes
March 27, 2014	Yes	Yes	Yes	No	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 of Dr. B. Sen, Independent Director, who is the Chairman of the Committee and Mr. C. K. Dhanuka, Promoter-Executive Chairman of the Company is a member of the Committee. The Committee met twice during the financial year

2013-14. The attendance of the Directors at the said meeting was:

Members of the Corporate Governance Committee	Corporate Governance Committee meeting held on	
	June 12, 2013	December 12, 2013
Dr. B. Sen Chairman, Corporate Governance Committee	Yes	Yes
Mr. C. K. Dhanuka	Yes	Yes

8. Internal Complaints Committee (ICC)

A new Act named Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 had come into force from December, 2013. The Act aims at protecting women's right to gender equality, life and liberty at workplace to encourage women's participation in work.

The Committee meets all the criteria including its composition as mentioned in the Act and its relevant rules.

The Committee had been conducting meetings and awareness programmes in accordance with the Act.

No complaint has been received by the Committee during the year.

9. (i) General Body Meetings

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

Year	Date & Time	Venue
2012-2013	August 1, 2013 10:30 A.M.	Kala Kunj (Kala Mandir Premises), 48, Shakespeare Sarani, Kolkata – 700017
2011–2012	August 2, 2012 10:30 A.M.	Kala Kunj (Kala Mandir Premises), 48, Shakespeare Sarani, Kolkata – 700017
2010–2011	August 4, 2011 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
August 1, 2013	None
August 2, 2012	None
August 4, 2011	None

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

(ii) Postal Ballot and postal ballot process

No resolution was put through Postal Ballot during the Year.

(iii) Information about Directors seeking appointment/ reappointment

Mr. R.K.Sharma is retiring by rotation and being eligible offer himself for reappointment. His details are given in the Annexure to the Notice, under the head Information Pursuant to Clause 49 of the Listing Agreement.

10. 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.

11. 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 SEBI requirements, quarterly and annual results of the Company are intimated to the Stock Exchanges immediately after the same is approved by the Board. Further, the quarter-end shareholding pattern, quarterly Corporate Governance Report, and other Corporate Disclosure are also intimated to the Stock Exchanges within the prescribed time limit. The Company is also filing the above necessary announcements to stock exchanges through:

(i) NSE Electronic Application Processing System (NEAPS): The NEAPS is a web based application designed by NSE for Corporates through which the Company is making such announcements to NSE.

(ii) BSE Listing Centre: The BSE Listing Centre is the Online Portal for submission of various filings by listed companies with BSE. The Company has started making such announcements to BSE through this portal.

(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 posted 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) 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.

(e) Website: The Company's website is www.dhunseritea.com. Press releases, quarterly and annual results as well as quarter-end shareholding pattern, Corporate Governance and other necessary statutory disclosures are posted on the website.

12. General Shareholder Information

a) Annual General Meeting

Date & Time	: August 14, 2014 at 10:30 A.M
Venue	: Kala Kunj, 48, Shakespeare Sarani, Kolkata-700017
b) Book Closure Date	: August 1, 2014 to August 14, 2014 (Both days inclusive)
c) Financial Year	: April 2013 - March 2014
d) Dividend Payment Date	: The dividend, if declared, shall be paid/credited on August 18/19, 2014
e) Financial Calendar	: 2014-15 (tentative)

Adoption of un-audited quarterly results and Annual Results	Adoption on
Unaudited 1st quarter results	Within middle of August, 2014
Unaudited 2nd quarter results	Within middle of November, 2014
Unaudited 3rd quarter results	Within middle of February, 2015
Audited 4th quarterly results and annual results	Within middle of May, 2015

f) Registrar and Share Transfer Agent

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata-700 001
Phone: 91 33 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 2014-15 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 2013-14:

	Stock Market Data (equity shares of ₹ 10 each)					
	National Stock Exchange		Bombay Stock Exchange		BSE Sensex	
Month	High	Low	High	Low	High	Low
Apr-13	93.50	85.95	93.80	81.25	19622.68	18144.22
May-13	112.60	85.65	106.90	86.70	20443.62	19451.26
Jun-13	101.00	84.70	100.00	86.10	19860.19	18467.16
Jul-13	95.20	77.00	95.00	77.45	20351.06	19126.82
Aug-13	91.65	72.15	90.40	72.75	19569.20	17448.71
Sep-13	83.90	76.40	83.25	75.50	20739.69	18166.17
Oct-13	101.00	75.50	100.00	78.00	21205.44	19264.72
Nov-13	107.00	92.90	106.30	92.10	21321.53	20137.67
Dec-13	141.00	104.75	125.00	103.10	21483.74	20568.70
Jan-14	119.90	98.75	119.25	95.65	21409.66	20343.78
Feb-14	109.00	96.05	108.95	100.00	21140.51	19963.12
Mar-14	117.00	101.80	117.00	102.75	22467.21	20920.98

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 March 31, 2014:

Category	Shareholders		Shares	
	Numbers	% of shareholders	Numbers	% of shares
Upto - 500	25,160	94.93	20,70,921	5.91
501 - 1000	687	2.59	5,42,512	1.55
1001 - 2000	301	1.14	4,53,186	1.29
2001 - 3000	118	0.45	2,95,298	0.84
3001 - 4000	48	0.18	1,69,207	0.48
4001 - 5000	52	0.20	2,41,698	0.69
5001 - 10000	72	0.27	5,00,267	1.43
10001 and above	66	0.25	30,751,665	87.80
Total	**26,504**	**100.00**	**3,50,24,754**	**100.00**

Shareholding Pattern as on March 31, 2014:

Sl.no.	Category	Total Number of Shares	Total Shareholding as a Percentage of Total Share Capital
1	Promoter/Promoters Group	2,35,65,682	67.28%
2	Mutual Funds/UTI	1,200	0.00%
3	Financial Institutions/Banks	2,11,912	0.61%
4	Insurance Companies	27,21,353	7.77%
5	Central/State Government(s)	1,175	0.00%
6	Bodies Corporate	17,06,706	4.87%
7	Indian Public	44,03,211	12.57%
8	NRI / Foreign National /OCB	24,13,515	6.89%
	Total	**3,50,24,754**	**100.00%**

l) Dematerialisation of shares and liquidity

As on March 31, 2014, 98.71% 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 67.28% 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, Mr. K. V. Balan is the Compliance Officer for this purpose.

n) 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-126, Mouza – Basudevpur, PS Durgachak & JL-145, Mouza - Paranchak, PS Bhabanipur, Haldia, Dist.- Midnapore (East), West Bengal.

o) 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.

p) 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: 91 33 2283-6128 (6 lines)
Fax: 91 33 22801956
E-mail: investors@aspetindia.com

q) 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: May 22, 2014

C. K. Dhanuka
Executive Chairman

AUDITORS' CERTIFICATE

REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of **Dhunseri Pertrochem & Tea Limited**

We have examined the compliance of conditions of Corporate Governance by Dhunseri Petrochem & Tea Limited, for the year ended March 31,2014, 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 and on behalf of
Lovelock & Lewes
Firm Registration No:-301056E
Chartered Accountants

Pradip Law
Partner
Membership No:51790

Place: Kolkata
Date: May 22,2014

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, 2014, and the Statement of Profit and Loss and the 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 notified under 'the Companies Act, 1956' (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 and other applicable authoritative pronouncements 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
   (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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
   (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, 2014 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

Pradip Law
Partner
Membership Number 51790

Kolkata
May 22, 2014

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 as of and for the year ended March 31, 2014

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. 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. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under.

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 service tax, tax deducted at source, value added tax, sales tax and professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, wealth 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, 2014 for a period of more than six months from the date they became payable are as follows:

ANNEXURE TO INDEPENDENT AUDITORS' REPORT *(contd.)*

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, 2014 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	0.78	2008-09	Supreme Court

x. The Company has no accumulated losses as at March 31, 2014 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 explanations 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 Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4 (xv) of the Order are not applicable to 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 beginning of the year and 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

Pradip Law
Partner
Membership Number 51790

Kolkata
May 22, 2014

BALANCE SHEET as at 31st March, 2014

(₹ in crores)

	Notes	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	35.03	35.03
Reserves and surplus	3	805.84	754.51
		840.87	**789.54**
Non-Current Liabilities			
Long-term borrowings	4	429.07	400.15
Deferred tax liabilities (Net)	5	97.88	84.17
Other Long-term liabilities	6	0.53	0.50
Long-term provisions	7	2.92	2.28
		530.40	**487.10**
Current Liabilities			
Short-term borrowings	8	1,150.83	1,099.26
Trade payables	9	225.07	253.04
Other current liabilities	10	142.23	93.68
Short-term provisions	11	19.82	21.24
		1,537.95	**1,467.22**
Total		**2,909.22**	**2,743.86**
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	12	877.14	875.30
Intangible assets	13	1.42	1.48
Capital work-in-progress	14	129.14	117.59
Non-current investments	15	263.08	224.44
Long-term loans and advances	16	9.57	25.60
Other non-current assets	17	5.03	5.15
		1,285.38	**1,249.56**
Current Assets			
Current investments	18	36.29	33.00
Inventories	19	463.05	462.66
Trade receivables	20	471.84	526.00
Cash and Bank balances	21	271.53	187.42
Short-term loans and advances	22	195.68	142.09
Other current assets	23	185.45	143.13
		1,623.84	**1,494.30**
		2,909.22	**2,743.86**

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

The notes are an integral part of these financial statements

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

Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: May 22, 2014

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

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

(₹ in crores)

	Notes	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue from operations (gross)	27	4,092.06	2,414.47
Less: Excise duty		210.53	159.45
Revenue from operations (net)		3,881.53	2,255.02
Other income	28	30.24	21.17
Total Revenue		**3,911.77**	**2,276.19**
Expenses:			
Cost of materials consumed	29	3,248.77	2,008.73
Purchases of stock-in-trade		5.01	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	20.84	(146.02)
Employee benefits expense	31	24.05	19.75
Finance costs	32	59.56	33.12
Depreciation and amortisation expense	33	43.12	32.53
Other expenses	34	427.86	251.23
Total Expenses		**3,829.21**	**2,199.34**
Profit before tax		82.56	76.85
Tax expense:			
Current tax		11.20	10.47
Adjustment for earlier years		(3.38)	(3.58)
Deferred tax		13.35	9.61
Profit for the period from continuing operation (A)		**61.39**	**60.35**
Profit before tax for the period from discontinuing operation	35	**18.08**	**23.00**
Tax expense of discontinuing operation		4.76	6.41
Profit for the period from discontinuing operation (B)		**13.32**	**16.59**
Profit for the period (A+B)		**74.71**	**76.94**
Earnings per equity share [Nominal value per share: ₹ 10/- each (Previous Year- ₹ 10/- each)]			
(1) Basic	41	21.33	21.97
(2) Diluted	41	21.33	21.70

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

The notes are an integral part of these financial statements

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

Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: May 22, 2014

C. K. Dhanuka
Executive Chairman

R. K. Sharma
Executive Director (Finance)

For and on behalf of the Board

M. Dhanuka
Vice Chairman & Managing Director

B. Chattopadhyay
Managing Director & CEO

J. P. Kundra
Director

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 in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis except for certain tangible fixed assets which are being carried at revalued amounts. Pursuant to circular 15/2013 dated 13th September, 2013 read with circular 08/2014 dated 4th April,2014, both issued by the Ministry of Corporate Affairs, Government of India, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] and other relevant provisions of the Companies Act, 1956 (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/- are fully depreciated in the year of addition. Intangible assets are 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 Contribution Plans payable in keeping with the related schemes are recognised as expenses for the year.

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

(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 reinstated 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 reinstatement 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 1st April, 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 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 rates 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 Capital Reserve.

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

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

(o) Provisions and Contingent Liabilities

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

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

(p) 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.

Derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), outstanding as at the Balance Sheet date on marked to market and losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the announcement of the Institute of Chartered Accountants of India on "Accounting of 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, 2014

Note 2 SHARE CAPITAL

		(₹ in crores)
	As at 31.03.2014	As at 31.03.2013
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 31.03.2014		As at 31.03.2013	
	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 31.03.2014	As at 31.03.2013
Dhunseri Investments Limited	12,438,778	12,438,778
	35.51%	35.51%
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,2014)**

(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 31.03.2014	As at 31.03.2013
Capital Reserve	2.62	2.62
Capital Redemption Reserve	0.12	0.12
Securities Premium Reserve		
Balance as at the beginning of the year	16.61	31.41
Less: Premium on redemption of Zero Percent Foreign Currency Convertible Bonds (Refer Note 37)	-	14.80
Balance as at the end of the year	16.61	16.61
General Reserve #		
Balance as at the beginning of the year	609.88	602.18
Add: Transfer from Surplus in Statement of Profit and Loss	7.49	7.70
Less: Deduction during the year	-	-
Balance as at the end of the year	617.37	609.88
Foreign Currency Monetary Item Translation difference account [Refer Note 1 (h)]		
Balance as at the beginning of the year	(0.89)	(0.89)
Add: Arisen during the year	(5.93)	-
Less: Amortised during the year	1.06	-
Balance as at the end of the year	(5.76)	(0.89)
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	126.17	75.25
Add : Profit for the year	74.71	76.94
Less : Appropriations		
Transfer to General Reserve	7.49	7.70
Proposed Dividend on Equity Share for the year	15.76	15.76
Dividend Distribution Tax @	2.75	2.56
Balance as at the end of the year	174.88	126.17
Total	805.84	754.51

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

@ Including ₹ 0.07 crores (Previous Year-₹ Nil) in respect of earlier year.

Note 4 LONG-TERM BORROWINGS

Secured		
Term Loans		
From banks [Refer (a) to (h) below]	428.47	399.30
From other parties [Refer (h) below]	0.60	0.85
	429.07	400.15

NOTES TO FINANCIAL STATEMENTS *(contd.)* for the year ended 31st March, 2014

Note 4 LONG-TERM BORROWINGS *(Contd.)*

Sl no	Nature of Security	Terms of Repayment
(a)	Term Loan from Banks amounting to ₹ 294.31 crores (Previous Year- ₹ 277.38 crores) is secured/to be secured by: i) Joint mortgage on pari-passu first charge basis on all the immovable properties of the PET Plant II, situated at , JL-126, Mouza- Basudevpur, PS Durgachak & JL-145, Mouz-Paranchak, PS Bhabanipur, Haldia, Midnapore (East),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 PET Plant II.	Repayable in 25 quarterly instalments commencing after the quarter ending 31st December, 2013.
(b)	i) Term Loan from Banks amounting to ₹ 88.15 crores (Previous Year- ₹ 91.52 crores) is secured/to be secured by joint mortgage on pari-passu first charge basis on all the immovable properties of the PET Plant I, situated at JL-126, Mouza- Basudevpur, PS Durgachak, Haldia, Midnapore(East), 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 PET Plant I.	Loan from Bank of Baroda, London repayable in 10 half-yearly instalments commencing after quarter ended on 31st March, 2011 and Loan from DBS, Singapore repayable in 25 quarterly instalments commencing after the quarter ended 31st December, 2013.
(c)	Term Loan from Banks amounting to ₹ 18.03 crores (Previous Year- ₹ 16.32 crores) 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 Company in relation to the modernization of the Company's existing PET Plant I situated at JL-126, Mouza-Basudevpur, PS Durgachak, Haldia, Midnapore (East), West Bengal to produce specialty grade Barrier Resins using M&G's state of the art BicoPET Technology.	Repayable in 20 quarterly instalments commencing from the quarter ending 30th September, 2014.
(d)	Term Loan from Banks amounting to ₹ Nil (Previous Year- ₹ 43.49 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-35 , Mouza-Gangapur, 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 instalments commencing from the last quarter of the year ended on 31st March, 2013. Fully repaid in the current year.
(e)	Term Loan from Banks amounting to ₹ Nil (Previous Year- ₹ 1.15 crores) is secured by way of first pari-passu charge on certain fixed assets of the Tea Division of the Company (including capital work-in-progress & equitable mortgage on the tea estates) along with the working capital bankers, and further by any other security as may be stipulated by the Bank.	Repayable in 12 quarterly instalments commencing from the second quarter of the year ended 31st March, 2011. Fully repaid in the current year.
(f)	Term Loan from Banks amounting to ₹ 8.00 crores (Previous Year- ₹ 12.00 crores) is secured by way of first pari-passu charge on certain fixed assets of the Tea Division of the Company (including capital work-in-progress & equitable mortgage on the tea estates) along with the working capital bankers, and further by any other security as may be stipulated by the Bank.	Repayable in 19 quarterly instalments commencing from the second quarter of the year ended 31st March, 2012.
(g)	Term Loan from Banks amounting to ₹ 100.00 crores (Previous Year- ₹ Nil) is secured/to be secured by: i) First pari-passu charge by way of mortgage and hypothecation on immovable property and the movable fixed assets respectively pertaining to PET Plant II of the Company situated in JL-126, Mouza- Basudevpur, PS Durgachak & JL-145,Mouza-Paranchak, PS Bhabanipur, Haldia, Midnapore (East),West Bengal. ii) Exclusive First charge over Company's entire fixed assets of IT Park, Bantala iii) Second charge on stock of raw materials, stock-in-process, finished goods, receivables and all other current assets pertaining to Company's Petrochem Division.	Repayable in 16 half-yearly instalments commencing from the second quarter of the year ending 31st March, 2016.
(h)	Term Loans (Auto Loans) from bank and other parties amounting to ₹ 2.43 crores (Previous Year- ₹ 2.22 crores) are secured by hypothecation of respective vehicles.	Equated Monthly instalments beginning from the month subsequent to taking of the Loans.
(i)	Figures indicated in (a) to (h) above includes current maturities of respective borrowings which have been presented in Note 10.	

Note 5 DEFERRED TAX LIABILITIES (NET)

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Deferred Tax Liability		
Depreciation	127.61	85.76
	127.61	85.76
Deferred Tax Asset		
Items allowable for tax purposes on payment	29.54	1.59
Unabsorbed Capital Loss @	0.19	-
	29.73	1.59
Net Deferred Tax Liabilities	**97.88**	**84.17**

@ expected to be realised against future capital gain

Note 6 OTHER LONG-TERM LIABILITIES

Security Deposits	0.53	0.50
	0.53	**0.50**

Note 7 LONG-TERM PROVISIONS

Provision for employee benefits		
Provision for Gratuity	1.10	0.79
Provision for Leave Encashment	1.82	1.49
	2.92	**2.28**

Note 8 SHORT-TERM BORROWINGS

Secured		
Loan Repayable on demand from Banks [Refer (a) below] [includes ₹ 108.39 crores (Previous Year ₹ 266.09 crores) on account of bills discounted].	907.70	840.39
Other Loans from Banks [Refer (a) below]	49.00	95.75
	956.70	936.14
Unsecured		
Loan Repayable on demand from Banks [includes ₹ 57.00 crores (Previous Year ₹ 57.86 crores) on account of bills discounted].	167.11	127.24
Other Loans from Banks	27.02	35.88
	194.13	163.12
	1150.83	**1099.26**

Nature of Security

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

(i) To the extent of ₹ 899.69 crores (Previous Year- ₹ 820.59 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.

Secured/to be secured by joint mortgage on pari-passu second charge basis on all the immovable properties of the PET Plant I and II situated at JL-126, Mouza- Basudevpur, PS Durgachak & JL-145, Mouza-Paranchak, PS Bhabanipur, Haldia, Midnapore (East), 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.

Note 8 SHORT-TERM BORROWINGS *(Contd.)*

(ii) **To the extent of ₹ 8.01 crores (Previous Year- ₹ 19.80 crores):**

Secured by a first hypothecation charge on the current assets of the Company's Tea Division, viz. stock of raw materials, stock-in-process, semi finished and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other movables, both present and future, wherever situated.

Secured by a first hypothecation charge on the movable fixed assets of the Tea Division of the Company and equitable mortgage over the immovable properties by deposit of title deeds of tea estates.

In addition, in the Previous Year there was a personal guarantee of the promoter director of the Company, second pari-passu charge on the immovable property of the Company viz. Land being no. IT15A within notified SEZ in JL-35, Mouza-Gangapur, KITP Basanti Highway within the jurisdiction of Kolkata Leather Complex Police Station.

(iii) **To the extent of ₹ 49.00 crores (Previous Year- ₹ 95.75 crores):**

Secured by way of lien against fixed deposit with bank.

Note 9 TRADE PAYABLES

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Total outstanding dues of Micro and Small Enterprises (Refer Note 50)	0.03	-
Total outstanding dues of creditors other than Micro and Small Enterprises	225.04	253.04
	225.07	**253.04**

Note 10 OTHER CURRENT LIABILITIES

Current maturities of Long-term debts (Refer Note 4)	81.85	43.93
Interest accrued but not due on borrowings	4.43	3.30
Unpaid Dividends [Refer (a) below]	0.65	0.55
Advance from Customers/Agents	27.70	19.75
Employee benefits	9.87	7.97
Liability for Capital goods	2.10	6.64
Statutory Dues	15.63	11.26
Mark to Market Loss on Forward/Derivative Contracts	-	0.28
	142.23	**93.68**

(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

Provision for Employee Benefits		
Provision for Gratuity	1.03	2.74
Provision for Leave Encashment	0.33	0.18
	1.36	2.92
Others		
Provision for Taxation	0.02	-
Provision for Proposed Dividend	15.76	15.76
Provision for Tax on Dividend	2.68	2.56
	18.46	18.32
	19.82	**21.24**

Note 12 TANGIBLE ASSETS

(₹ in crores)

Particulars	Gross Block					Depreciation				Net Block	
	As at 31.03.2013	Additions during the year	Disposals/ Adjustments during the year	Other Adjustments during the year	As at 31.03.2014	As at 31.03.2013	For the year	Disposals/ Adjustments during the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Leasehold Land	17.44	-	-	-	17.44	0.94	0.20	-	1.14	16.30	16.50
Freehold Land	4.92	-	-	-	4.92	-	-	-	-	4.92	4.92
Land & Estate Development	94.32	-	0.01	-	94.31	0.08	-	-	0.08	94.23	94.24
Buildings [Refer (e) below]	204.51	5.00	0.27	7.08	216.32	23.83	5.27	-	29.10	187.22	180.68
Plant and Equipment	800.50	15.43	6.29	26.52	836.16	233.97	41.71	0.24	275.44	560.72	566.53
Office Equipment	1.85	0.54	0.01	-	2.38	0.77	0.12	0.01	0.88	1.50	1.08
Furniture and Fixtures	7.13	0.24	0.01	-	7.36	2.29	0.41	0.01	2.69	4.67	4.84
Vehicles	11.85	2.33	1.11	-	13.07	5.34	0.95	0.80	5.49	7.58	6.51
Total	**1,142.52**	**23.54**	**7.70**	**33.60**	**1,191.96**	**267.22**	**48.66**	**1.06**	**314.82**	**877.14**	**875.30**
Previous Year	**803.47**	**310.20**	**36.68**	**65.53**	**1,142.52**	**232.08**	**37.06**	**1.92**	**267.22**	**875.30**	

(a) Quality upgraded subsidy amounting to ₹ 0.06 crore (Previous Year- ₹ 0.10 crore) received during the year under Tea Board Quality upgradation & product diversification scheme and Transport Subsidy ₹ 0.01 crore (Previous Year- ₹ Nil) received from Tea Board under Plantation Development Scheme has been adjusted against the cost of the respective assets.

(b) Other Adjustments column includes adjustments on account of exchange difference ₹ 33.60 crores (Previous Year- ₹ 48.00 crores) and borrowing costs ₹ Nil (Previous Year- ₹ 17.53 crores).

(c) Disposals/Adjustments column includes Gross Block and Accumulated Depreciation on account of assets written off worth ₹ 1.28 crores (Previous Year- ₹ Nil) and ₹ 0.19 crore (Previous Year- ₹ Nil) respectively and ₹ 4.11 crores (Previous Year- ₹ Nil) on account of realisation of Liquidated Damages.

(d) Gross Block and Accumulated Depreciation includes building on rented land amounting to ₹ 5.96 crores (Previous Year- ₹ 5.22 crores) and ₹ 5.55 crores (Previous Year- ₹ 4.90 crores) respectively.

Note 13 INTANGIBLE ASSETS

(₹ in crores)

Particulars	Gross Block					Amortisation				Net Block	
	As at 31.03.2013	Additions during the year	Disposals/ Adjustments during the year	Other Adjustments during the year	As at 31.03.2014	As at 31.03.2013	For the year	Disposals/ Adjustments during the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Leasehold Land	1.02	0.03	-	-	1.05	0.69	0.08	-	0.77	0.28	0.33
Vehicles	22.85	-	-	-	22.85	21.70	0.01	-	21.71	1.14	1.15
Total	**23.87**	**0.03**	**-**	**-**	**23.90**	**22.39**	**0.09**	**-**	**22.48**	**1.42**	**1.48**
Previous Year	**23.61**	**0.26**	**-**	**-**	**23.87**	**20.86**	**1.53**	**-**	**22.39**	**1.48**	

Note 14 CAPITAL WORK-IN-PROGRESS

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Capital work-in-progress	129.14	117.59
Total	129.14	117.59

NOTES TO FINANCIAL STATEMENTS *(contd.)* for the year ended 31st March, 2014

Note 14 CAPITAL WORK-IN-PROGRESS *(Contd.)*

(₹ in crores)

Capital Work-in-Progress includes:	2013-14	2012-13
(i) Borrowing Cost capitalised during the year [net of interest income of ₹ Nil (Previous Year- ₹ 0.90 crore)]	-	7.81
Cumulative as on year end	0.91	0.91
(ii) Loss/(Gain) on foreign currency transactions and translations capitalised	1.46	(0.25)
(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	1.34	13.46
Consumption of stores and spare parts including packing material	-	3.45
Salaries and Wages	0.84	1.81
Contribution to provident and other fund	0.03	0.07
Staff welfare expenses	-	0.14
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	1.71	0.19
Insurance	0.06	0.45
Miscellaneous Expenses	0.13	2.39
(A) Total Expenditure	**4.11**	**166.10**
Less :		
Sale of Products	1.13	150.75
Other Operating Revenues	-	1.52
(B) Total Income	**1.13**	**152.27**
(C) Pre-operative/Trial Run Expenses (net of income) (A-B)	**2.98**	**13.83**

Note 15 NON-CURRENT INVESTMENTS (VALUED AT COST UNLESS OTHERWISE STATED)

(₹ in crores)

	Face Value	No. of Shares/Units		Book Value	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Trade Investments					
In Equity Instrument-Unquoted, Fully Paid-up					
A-Investment in subsidiaries:					
Dhunseri Petrochem & Tea Pte Ltd.	US$ 1	1,11,80,816	1,11,80,816	61.97	61.97
Egyptian Indian Polyester Company S.A.E. #	US$ 100	3,99,000	3,36,000	196.26	156.62
Dhunseri Infrastructure Limited	₹ 10	50,000	-	0.05	-
Dowamara Tea Company Private Limited	₹ 10	-	1,76,650	-	0.97
				258.28	**219.56**
B-Others					
Haldia Integrated Development Agency Limited	₹ 10	10,000	10,000	0.01	0.01
				0.01	**0.01**

Note 15 NON-CURRENT INVESTMENTS (VALUED AT COST UNLESS OTHERWISE STATED) *(Contd.)*

(₹ in crores)

	Face Value	No. of Shares/Units		Book Value	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Other investments					
In Equity Shares-Quoted, Fully Paid-up					
Gujrat Fluoro Chemicals Limited	₹ 1	1,06,953	1,10,000	3.07	3.15
Microsec Financial Services Limited	₹ 10	1,176	1,176	0.01	0.01
International Paper APPM Ltd. (formerly The Andhra Pradesh Paper Mills Ltd.)	₹ 10	98,877	98,877	1.71	1.71
				4.79	4.87
Total				263.08	224.44
Aggregate of Quoted Investments (Book Value)				4.79	4.87
Aggregate of Quoted Investments (Market Value)				5.70	5.20
Aggregate of Unquoted Investments (Book Value)				258.29	219.57

Pledged with bank against financial assistance taken by Egyptian Indian Polyester Company S.A.E.

Note 16 LONG-TERM LOANS AND ADVANCES

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Capital Advances	5.89	16.82
Security Deposits		
With Related Party (Refer Note 42)	1.28	1.28
With Others	2.01	2.06
Loans and advances to subsidiary (Refer Note 42)	-	5.00
Other Loans		
To Staff	0.12	0.17
To Bodies Corporate	0.27	0.27
	9.57	25.60

Note 17 OTHER NON-CURRENT ASSETS

Fixed Deposits (with maturity more than 12 months)	-	0.60
Margin Money (with maturity more than 12 months)	0.01	0.19
Vat Refund Receivable	5.02	4.36
	5.03	5.15

NOTES TO FINANCIAL STATEMENTS *(contd.)* for the year ended 31st March, 2014

Note 18 CURRENT INVESTMENTS

(₹ in crores)

	Face Value	No. of Shares/Units		Book Value	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Trade Investments (at cost)					
Investments in Equity Instruments					
Dhunseri Tea & Industries Limited #	₹ 10	50,000	-	0.05	-
Tectura Corporation [Refer (b) below]	Not Applicable	268	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	-	3,30,00,000	-	33.00
HDFC Top 200 Fund Growth	₹ 10	147	-	@	-
HDFC FMP 370D April 2013 (1) Series-26-Regular-Growth	₹ 10	62,43,860	-	6.24	-
HDFC FMP 366D April 2013 (1) Series-26-Regular-Growth	₹ 10	3,00,00,000	-	30.00	-
				36.29	**33.00**
(a) Aggregate of Unquoted Investments (Book Value)				36.29	33.00
(b) Represents current portion of Non-Current Investments					

Held for disposal vide the Scheme of Arrangement referred to in Note 35

@ 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 31.03.2014	As at 31.03.2013
Raw materials [includes in transit ₹ 108.92 crores (Previous Year- ₹ 57.51 crores)]	232.16	209.86
Work-in-progress [Refer (a) below]	4.43	4.59
Finished goods [includes in transit ₹ 40.81 crores (Previous Year- ₹ 56.41 crores)] [Refer (b) below]	180.07	202.20
Stock-in-trade (i.e. Traded goods) [includes in transit ₹ 2.06 crores (Previous Year- ₹ Nil)] [Refer (c) below]	3.38	8.10
Stores and spares including packing materials [includes in transit ₹ 1.04 crores (Previous Year- ₹ 0.40 crore)]	43.01	37.91
	463.05	**462.66**
(a) Represents Polyester Chips	4.43	4.59
(b) Comprises:		
Polyester Chips	175.65	191.60
Tea	4.42	10.60
	180.07	**202.20**
(c) Represents Pet Barrier Resins	3.38	8.10

Note 20 TRADE RECEIVABLES

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	1.49	1.07
Other debts	470.35	524.93
[includes ₹ 165.39 crores (Previous Year- ₹ 313.97 crores) on account of bills discounted with banks]		
	471.84	**526.00**

Note 21 CASH AND BANK BALANCES

Cash and cash equivalents		
Balances with Banks		
Current Accounts	8.26	22.12
Cash Credit Accounts	11.29	19.07
Fixed Deposits (with maturity less than 3 months)	3.51	1.79
Unpaid Dividend Accounts [Refer (a) below]	0.65	0.55
Cheques, Drafts on hand	0.07	0.40
Cash on hand	0.21	0.28
	23.99	**44.21**
Others bank balances		
Fixed Deposits (with maturity greater than 3 months but less than 12 months) [Refer (b) below]	201.31	129.90
Margin Money (with maturity greater than 3 months but less than 12 months)	46.23	13.31
	247.54	**143.21**
	271.53	**187.42**
(a) Earmarked for payment of dividend.		
(b) Includes ₹ 137.21 crores (Previous Year- ₹ 106.68 crores) under lien with bank.		

Note 22 SHORT-TERM LOANS AND ADVANCES

Unsecured, considered good		
Loans and advances to related parties (Refer Note 38 and 42)	16.35	5.59
Deposits with Government Authorities and Others	114.87	84.88
Deposit with National Bank for Agriculture and Rural Development	0.79	1.18
Others		
Loans to Staff	0.66	0.54
Advance to Suppliers/Service Providers	42.85	39.65
For Nursery Plantation	0.71	1.02
Prepaid Expenses	1.96	3.87
Advance Tax [net of provision ₹ 25.43 crores (Previous Year- ₹ 59.42 crores)]	17.49	5.36
	195.68	**142.09**

Note 23 OTHER CURRENT ASSETS

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Interest accrued on Deposits	0.38	0.79
Incentives receivable	95.90	48.84
Excise/Other Duty receivables	82.47	85.78
Claim receivable	4.33	-
VAT Refund receivable	1.96	1.95
Receivables against sale of assets	0.41	5.77
	185.45	143.13

Note 24 CONTINGENT LIABILITIES

(a) Claims against the Company not acknowledged as debts		
(i) Customs Demand-matter under dispute	@	@
(ii) Service Tax Demand-matter under dispute	0.18	0.18
(iii) Income Tax-matter under dispute	0.83	0.83
(iv) Entry Tax-matter under dispute	11.76	-
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	79.33	71.79
(c) Bank Guarantee	2.33	-
(d) 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 COMMITMENTS

Estimated value of contracts in capital account remaining to be executed and not provided for	1.20	3.35

Note 26 PROPOSED DIVIDENDS

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 31.03.2014	Year Ended 31.03.2013
Sale of Products		
Finished Goods		
Tea	113.71	106.96
Packet Tea	55.56	54.65
Polyester Chips	3,948.06	2,347.48
Traded Goods		
Pet Barrier Resins	11.40	3.93
Other Operating Revenues		
Scrap Sales	0.80	0.23
Export Incentive	128.39	59.56
Other Incentives & Subsidies	3.76	4.07
Gross Revenue	**4,261.68**	**2,576.88**
Less: Excise Duty	210.53	159.45
Net Revenue	4,051.15	2,417.43
Less: Discontinuing Operations (Refer Note 35)	169.62	162.41
	3,881.53	**2,255.02**

Note 28 OTHER INCOME

Interest Income	21.96	14.27
Dividend Income from Long Term Investment	0.02	0.03
Profit on Sale of Current Investment	3.24	4.42
Profit on Sale of Long Term Investment	-	0.57
Profit on Sale of Fixed Assets	-	12.44
Service Charges Received	0.40	0.12
Liabilities no longer required written back	0.70	1.00
Insurance Claim	1.29	1.30
Miscellaneous Income	4.01	1.26
	31.62	**35.41**
Less: Discontinuing Operations (Refer Note 35)	1.38	14.24
	30.24	**21.17**

Note 29 COST OF MATERIALS CONSUMED

Raw Materials		
Opening inventory	209.86	118.08
Add: Purchase during the year	3,305.80	2,147.40
Less: Closing inventory	232.16	209.86
	3,283.50	**2,055.62**
Less: Discontinuing Operations (Refer Note 35)	34.73	46.89
	3,248.77	**2,008.73**

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

(₹ in crores)

	Year Ended 31.03.2014	Year Ended 31.03.2013
(Increase)/Decrease in Stock		
Stock at the end of year		
Finished Goods	180.07	202.20
Work-in-Progress	4.43	4.59
Stock-in-Trade	3.38	8.10
	187.88	**214.89**
Stock at the beginning 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**
Net(Increase)/Decrease in Stock	**27.01**	**(151.70)**
Less: Discontinuing Operations (Refer Note 35)	6.17	(5.68)
	20.84	**(146.02)**

Note 31 EMPLOYEE BENEFITS EXPENSES

Salaries and Wages	56.15	51.62
Contribution to provident and other funds	3.87	3.88
Gratuity	1.45	2.19
Staff welfare expenses	4.46	4.01
	65.93	**61.70**
Less: Discontinuing Operations (Refer Note 35)	41.88	41.95
	24.05	**19.75**

Note 32 FINANCE COSTS

Interest expense	52.33	33.89
Other borrowing costs	12.77	9.92
	65.10	**43.81**
Less: Discontinuing Operations (Refer Note 35)	5.54	10.69
	59.56	**33.12**

Note 33 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on Tangible assets	48.66	37.06
Amortisation on Intangible assets	0.09	1.53
	48.75	**38.59**
Less: Discontinuing Operations (Refer Note 35)	5.63	6.06
	43.12	**32.53**

Note 34 OTHER EXPENSES

	Year Ended 31.03.2014	Year Ended 31.03.2013
		(₹ in crores)
Power & Fuel	101.67	61.54
Consumption of stores and spare parts including packing material	41.02	26.77
Freight, delivery and shipping charges	164.82	84.54
Brokerage and commission on sales	27.35	18.47
Loss on sale of Fixed Assets	0.03	-
Net (gain)/loss on foreign currency transactions/translations	63.92	45.24
Amortisation of Foreign Currency Monetary Items Translation Difference	1.06	-
Claim receivable written off	-	2.93
Rent	2.10	1.76
Repairs and Maintenance		
Plant & Machinery	10.94	9.61
Buildings	0.86	0.94
Others	7.46	4.73
Insurance	7.37	4.95
Rates and Taxes	1.35	2.53
Loss on sale of Long-Term Investments	0.86	-
Asset written off	1.09	-
Bad Debts/Advances written off	4.74	0.40
Inventory of Raw Materials written off	-	0.93
Cess on Tea	1.49	1.57
Excise Duty	8.42	2.33
Miscellaneous Expenses [Refer (a) below and Note 54]	40.28	35.73
	486.83	**304.97**
Less: Discontinuing Operations (Refer Note 35)	58.97	53.74
	427.86	**251.23**
(a) Includes Auditors' remuneration paid/payable for the year as follows:		
Audit Fees	0.42	0.42
Tax Audit Fees	0.05	0.03
For other matters (Certificates, etc.)	0.26	0.20
Reimbursement of expenses [excluding service tax ₹ 0.08 crore (Previous Year ₹ 0.07 crore)]	0.03	0.01
	0.76	**0.66**

Note 35 DISCONTINUING OPERATIONS

The Board of Directors at its meeting held on 28th January, 2014 approved a Scheme of Arrangement (the Scheme) for demerger of the “Tea Division” of the Company which is engaged in the business of cultivation, production and marketing of tea, by way of transfer to M/s Dhunseri Tea & Industries Limited and reorganisation of the “IT SEZ Division” which is engaged in the business of providing infrastructure facilities to the Information Technology/Information Technology Enabled Services (IT/ITES) units with special economic zone status, by transferring the same to M/s Dhunseri Infrastructure Limited with effect from the appointed date i.e. 1st April, 2014. The Company has also intimated to the Stock Exchanges about the Scheme on 28th January, 2014. The Tea Division is a separate business segment as per AS-17 “Segment Reporting” and IT SEZ division which is yet to start its operation was included in unallocated assets and liabilities in segment reporting. The Scheme is subject to requisite approvals, including sanction of the The Hon’ble High Court at Calcutta which is pending. Accordingly aforesaid Tea Division and IT SEZ Division have been considered as discontinuing operations.

Note 35 DISCONTINUING OPERATIONS *(Contd.)*

The operating activities of the Company's discontinuing operations are summarized below:

(a) The revenue and expense in respect of the ordinary activities attributable to the discontinuing operations :

		(₹ in crores)
	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue from operations (gross)	169.62	162.41
Less: Excise duty	-	-
Revenue from operations (net)	169.62	162.41
Other income	1.38	14.24
Total Revenue	**171.00**	**176.65**
Expenses:		
Cost of materials consumed	34.73	46.89
Changes in inventories of finished goods	6.17	(5.68)
Employee benefits expense	41.88	41.95
Finance costs	5.54	10.69
Depreciation and amortisation expense	5.63	6.06
Other expenses	58.97	53.74
Total Expenses	**152.92**	**153.65**
Profit from discontinuing operations before tax	18.08	23.00
Tax expense:		
Current tax	3.95	2.59
Adjustment for earlier years	0.45	1.63
Deferred tax	0.36	2.19
Profit for the period from discontinuing operations	**13.32**	**16.59**

(b) The Net Cash Flows attributable to the discontinuing operations are as follows:

Operating Activities	35.00	1.06
Investing Activities	5.85	35.28
Financing Activities	(44.19)	(30.04)
Net Cash Inflows/(Outflows)	**(3.34)**	**6.30**

(c) The carrying amounts as at 31st March, 2014 of the total assets and liabilities to be disposed of are as follows:

		(₹ in crores)
	As at 31.03.2014	As at 31.03.2013
Total Assets	341.62	337.50
Total Liabilities	154.91	157.94
Net assets	186.71	179.56

Note 36 REVALUATION OF FIXED ASSETS

All fixed assets other than Computers and Furniture & Fixtures located at Ten tea estates and 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- ₹ 183.19 crores) resulting in increase in net book value of assets by ₹ 149.90 crores (Previous Year- ₹ 149.90 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 by the Net Replacement Value method whereas Freehold Land and Leasehold Land & Estate Development were revalued by Plantation Value method.

Note 37 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)

The erstwhile South Asian Petrochem Limited (subsequently merged with Dhunseri Petrochem & Tea Limited) had issued 200 Zero Percent Unsecured Foreign Currency Convertible Bonds (FCCB) of US$ 100,000 each in the year 2007-08. Out of these FCCBs, outstanding bonds had been fully redeemed in the year 2012-13 and the premium on redemption amounting to ₹ Nil (Previous Year- ₹ 14.80 crores) had been adjusted with Securities Premium Account.

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-₹ Nil (Previous Year- ₹ 0.02 crore).

(ii) Subsidiary Companies amounting to ₹ 16.35 crores (Previous Year- ₹ 5.57 crores).

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 Fund make payment to vested employees at retirement, death/disability, withdrawal of an amount based on the respective employee's eligible salary for specified number of days depending upon the tenure of service subject to a maximum limit of ₹ 0.10 crores. 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 the Trust Fund.

(a) Change in Defined Benefit Obligation during the year ended 31st March, 2014

(₹ in crores)

	31st March, 2014 Funded	31st March, 2013 Funded
Present value of Defined Benefit Obligation as at 1st April, 2013	12.88	11.98*
Current Service Cost	0.84	0.74
Interest Cost	1.17	1.09
Benefits Paid	(0.83)	(2.11)
Actuarial (gain)/loss on Obligation	0.25	1.18
Present value of Defined Benefit Obligation as at 31st March, 2014	**14.31**	**12.88**

* Includes obligation transferred from Unfunded part of the obligation as on 31st March, 2012 as the same is being funded from the year ended 31st March, 2013

Note 39 EMPLOYEE BENEFIT OBLIGATION *(Contd.)*

(b) Change in Fair Value of Assets during the year ended 31st March, 2014

(₹ in crores)

	31st March, 2014 Funded	31st March, 2013 Funded
Fair Value of Plan Assets as at 1st April, 2013	9.35	8.82
Expected Return on Plan Assets	0.97	0.75
Contributions Made	2.85	1.82
Benefits Paid	(0.83)	(2.11)
Actuarial gain/(loss) on Plan Assets	(0.16)	0.07
Fair value of Plan Assets as at 31st March, 2014	**12.18**	**9.35**

(c) Net(Asset)/Liability recognised in the Balance Sheet as at 31st March, 2014

Present Value of the Defined Benefit Obligation	14.31	12.88
Fair value of Plan assets	12.18	9.35
Net(Asset)/Liability recognised in the Balance Sheet	**2.13**	**3.53**

(d) Expense recognised in the Statement of Profit and Loss for the year ended 31st March, 2014

Current Service Cost	0.84	0.74
Interest Cost	1.17	1.09
Expected return on plan assets	(0.97)	(0.75)
Net actuarial (gain)/loss recognised during the year	0.41	1.11
Total Expense recognised in the Statement of Profit and Loss (in Note 31- Employee benefits expense under the head " Gratuity")	**1.45**	**2.19**

(e) Major Categories of Plan Assets as a percentage of total plans as at 31st March, 2014

	31st March, 2014	31st March, 2013
Investment with Private Insurance Companies	28.51%	26.84%
Administered by Life Insurance Corporation of India	62.73%	27.78%
Special Deposits and Bonds	6.89%	10.90%
Others including Bank Balances	1.87%	34.48%
	100.00%	**100.00%**

(f) Experience adjustments

(₹ in crores)

	31st March, 2014		31st March, 2013		31st March, 2012		31st March, 2011		31st March, 2010	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
Defined Benefit Obligation	14.31	-	12.88	-	10.96	1.02	9.82	0.82	10.01	0.52
Fair value of Plan Assets	12.18	-	9.35	-	8.82	-	8.48	-	7.41	-
Status Surplus/(Deficit)	(2.13)	-	(3.53)	-	(2.14)	(1.02)	(1.34)	(0.82)	(2.61)	(0.52)
Experience adjustments on Plan Liabilities Gain/(Loss)	0.09	-	(0.87)	-	(0.39)	(0.14)	0.89	(0.10)	(0.95)	(0.19)
Experience adjustments on Plan Assets Gain/(Loss)	(0.15)	-	0.07	-	(0.20)	-	(0.27)	-	0.33	-

(g) Contribution expected to be paid to the plan during the period 2014-15 is H 1.03 crores (Previous Year- H 2.74 crores)

Note 39 EMPLOYEE BENEFIT OBLIGATION (Contd.)

(h) Actuarial Assumptions

Particulars	31st March, 2014	31st March, 2013
Mortality Table	LICI-2006-08	LICI-2006-08
Discount rate	8.25% & 9.20%	8.25% & 8.10%
Salary Escalation rate	5.00% & 10.00%	5.00% & 7.00%
Expected Return on Plan Assets	9.00% & 8.00%	9.00% & 8.00%

		(₹ in crores)
(i) Actual Return on Plan Assets	0.81	0.82

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

II Contribution for Defined Contribution Plan comprising ₹ 0.13 crore (Previous Year- ₹ 0.51 crore) on account of the Company's contribution to Superannuation fund and ₹ 3.74 crores (Previous Year- ₹ 3.37 crores) on account of the Company's contribution to Provident funds has been recognised as an expense and included in Note 31- Employee benefits expenses 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	Year Ended 31.03.2014					Year Ended 31.03.2013				
	Polyester Chips	Tea	Segment Total	Unallocated	Total Enterprise	Polyester Chips	Tea	Segment Total	Unallocated	Total Enterprise
Segment Revenue-Sales to External Customers @	3,748.93	169.27	3,918.20	-	3,918.20	2,191.96	161.61	2,353.57	-	2,353.57
Other Operating Revenues	132.60	0.35	132.95	-	132.95	63.07	0.79	63.86	-	63.86
Segment Revenue-Total	3,881.53	169.62	4,051.15	-	4,051.15	2,255.03	162.40	2,417.43	-	2,417.43
Segment Result	121.11	26.08	147.19	(72.48)	74.71	95.87	33.32	129.19	(52.25)	76.94
Total carrying amount of Segment Assets	2,014.33	241.67	2,256.00	653.22	2,909.22	1,976.39	261.89	2,238.28	505.58	2,743.86
Total amount of Segment Liabilities #	268.39	13.48	281.87	1,786.48	2,068.35	280.50	20.27	300.77	1,653.55	1,954.32
Total cost incurred during the period to acquire segment assets	20.37	4.72	25.09	-	25.09	41.65	9.64	51.29	-	51.29
Total amount of depreciation and amortisation	43.12	5.63	48.75	-	48.75	32.53	6.06	38.59	-	38.59
Total amount of significant non-cash expenses	3.82	0.32	4.14	-	4.14	-	-	-	-	-

@ Net of Excise Duty

Excluding Equity ₹ 840.87 crores (Previous Year- ₹ 789.54 crores)

NOTES TO FINANCIAL STATEMENTS *(contd.)* for the year ended 31st March, 2014

Note 40 SEGMENT REPORTING: *(Contd.)*

Secondary Segment-Geographical Segment

(₹ in crores)

Particulars	Year Ended 31.03.2014			Year Ended 31.03.2013		
	Outside India	Within India	Total	Outside India	Within India	Total
Segment Revenue-Sales to External Customers	2,128.00	1,923.15	4,051.15	948.50	1,468.93	2,417.43
Segment Assets	310.53	1,945.47	2,256.00	402.98	1,835.30	2,238.28
Total cost incurred during the period to acquire segment assets	-	25.09	25.09	-	51.29	51.29

(a) 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.

(b) The Company does not have inter segment sales.

Note 41 EARNINGS PER EQUITY SHARE

(₹ in crores)

	Year Ended 31.03.2014	Year Ended 31.03.2013
(a) Earnings attributable to equity shareholders (₹ in crores)	74.71	76.94
(b) Adjustments for Dilutive Earnings net of tax	-	-
(c) Earnings Diluted (₹ in crores)	74.71	76.94
(d) Weighted Average number of Ordinary Shares outstanding	35,024,754	35,024,754
(e) Adjustment for Potential Ordinary Shares	-	433,422
(f) Weighted Average number of Ordinary shares in computing Diluted Earnings Per Share	35,024,754	35,458,176
-Basic (a/d) (in ₹)	21.33	21.97
-Diluted (c/f) (in ₹)	21.33	21.70

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

Names of related parties and description of relationship:

Where control exists

(A) Subsidiary Companies:

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

(2) Dowamara Tea Company Private Limited (up to 20th March,2014)

(3) Dhunseri Petrochem & Tea Pte Ltd.

(4) Dhunseri Tea & Industries Limited (formerly Dhunseri Services Limited) (acquired during the year ended 31.03.2014)

(5) Dhunseri Infrastructure Limited (formerly Dhanurveda Infrastructure Private Limited) (acquired during the year ended 31.03.2014)

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

(6) Makandi Tea & Coffee Estates Ltd. (acquired during the year ended 31.03.2013)

(7) Kawalazi Estate Company Ltd. (acquired during the year ended 31.03.2013)

Note 42 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18 *(Contd.)*

Others

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

(8) Naga Dhunseri Group Limited

(9) Trimplex Investments Limited

(10) Mint Investments Limited

(11) Dhunseri Investments Limited

(D) Key Management Personnel

(12) Mr. C. K. Dhanuka (Executive Chairman)

(13) Mr. M. Dhanuka (Vice Chairman and Managing Director)

(14) Mr. B. Chattopadhyay (Chief Executive Officer and Managing Director)

(15) Mr. R. K. Sharma (Executive Director, Finance)

Nature of Transactions/Balances

(₹ in crores)

	Year Ended 31.03.2014	Year Ended 31.03.2013
Nature of Transactions/Balances		
A. Subsidiary Companies		
Egyptian Indian Polyester Company S.A.E.		
-Receivable/(Payable)	10.20	2.94
-Investment in Shares	39.64	-
-Reimbursement of Expenses	2.15	1.61
-Undertaking given to lenders (Refer Note 53)		
Dowamara Tea Company Private Limited		
-Receivable/(Payable)	-	7.63
-Advances Written Off	1.69	-
Dhunseri Petrochem & Tea Pte. Ltd.		
-Investment in Shares	-	61.97
-Receivable/(Payable)	6.15	-
-Standby Letter of Credit [Refer Note 24 (b)]	79.33	71.79
Dhunseri Tea & Industries Limited		
-Investment in Shares	0.05	-
Dhunseri Infrastructure Limited		
-Investment in Shares	0.05	-
Kawalazi Estate Company Ltd.		
-Purchase of Goods	0.02	-
B. Group Companies		
Trimplex Investments Limited		
-Rent and Service Charges	1.20	1.12
-Security Deposits	1.28	1.28
-Purchase of Shares	0.03	-
-Receivable/(Payable)	-	0.02

Note 42 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18 *(Contd.)*

(₹ in crores)

	Year Ended 31.03.2014	Year Ended 31.03.2013
Naga Dhunseri Group Limited		
-Rent Paid	0.28	0.28
-Purchase of Vehicle	0.13	-
Mint Investments Limited		
-Rent and Service Charges	0.35	0.34
-Purchase of Shares	0.02	-
Dhunseri Investments Limited		
-Rent and Service Charges	0.99	0.95
C. Key Management Personnel		
Mr. C. K. Dhanuka		
-Remuneration	2.74	2.43
-Rent Received	0.01	0.01
-Receivable/(Payable)	(2.46)	(2.43)
Mr. M. Dhanuka		
-Remuneration	1.98	1.83
-Rent Received	0.01	0.01
-Receivable/(Payable)	(1.00)	(1.12)
Mr. B. Chattopadhyay		
-Remuneration	0.94	0.96
Mr. R. K. Sharma		
-Remuneration	0.63	0.66

Note 43 PURCHASES OF STOCK-IN-TRADE

Pet Barrier Resins	5.01	-

Note 44 (A)-DETAILS OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

	Year Ended 31.03.2014		Year Ended 31.03.2013	
	Value (₹ in crores)	% Consumed	Value (₹ in crores)	% Consumed
Raw Materials				
Imported	1,179.62	35.93%	629.94	30.64%
Indigenous	2,103.88	64.07%	1,425.68	69.36%
Total	3,283.50	100.00%	2,055.62	100.00%
Stores and Spare parts				
Imported	3.37	8.22%	3.39	12.66%
Indigenous	37.65	91.78%	23.38	87.34%
Total	41.02	100.00%	26.77	100.00%

Note 44 (B)-DETAILS OF MATERIALS CONSUMED

	Year Ended 31.03.2014	Year Ended 31.03.2013
		(₹ in crores)
Raw Materials		
Green Leaf-Purchased	34.73	46.89
PTA	2,250.68	1,423.59
MEG	889.63	519.15
Others	108.46	65.99
	3,283.50	**2,055.62**

Note 45 EXPENDITURE IN FOREIGN CURRENCY

Travelling Expenses	3.36	0.98
Commission on Sales	8.76	4.28
Professional and Consultation Fees	5.07	6.79
Other Miscellaneous Expenditure	28.68	6.31
Interest	22.91	9.69

Note 46 AMOUNT OF DIVIDEND REMITTED IN FOREIGN CURRENCY :

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 crores)	1.71	1.71

Note 47 CIF VALUE OF IMPORTS

Raw Materials	1,249.18	712.88
Capital Goods	-	14.94
Stores and Spares	39.53	4.24
Traded Goods	5.01	-

Note 48 EARNINGS IN FOREIGN CURRENCY

Exports on FOB Basis	2,028.83	906.54
Miscellaneous Claims	1.03	-
Service Charges Received	0.25	-

Note 49 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

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 transactions. Outstanding Forward Contracts as at 31st March, 2014 taken to hedge various foreign currency receivables on past performance basis is ₹ 24.63 crores (Previous Year- ₹ 38.86 crores) and foreign currency loan payable is ₹ Nil (Previous Year- ₹ 40.35 crores), Interest Rate Swap contracts outstanding as at year end is ₹ 353.53 crores (Previous Year- ₹ 55.83 crores).

b) Foreign Currency Exposures(net) that are not hedged as at 31st March, 2014 by a derivative instrument or otherwise is ₹ 1158.04 crores (Previous Year-₹ 1016.31 crores).

NOTES TO FINANCIAL STATEMENTS *(contd.)* for the year ended 31st March, 2014

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, 2014. The disclosures pursuant to the said Act is as under:

(₹ in crores)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Principal amount remaining unpaid to any supplier as at the end of the year	0.03	-
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	-	-
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 as 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 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 ₹ 1.84 crores (Previous Year- ₹ 1.76 crores) debited to the Statement of Profit and Loss.

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 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Long Term Investments					
Egyptian Indian Polyester Company S.A.E.	US$ 100	399,000	336,000	196.26	156.62
Dowamara Tea Company Private Limited	₹ 10	-	176,650	-	0.97
Dhunseri Petrochem & Tea Pte. Ltd.	US$ 1	11,180,816	11,180,816	61.97	61.97
Haldia Integrated Development Agency Limited	₹ 10	10,000	10,000	0.01	0.01
Gujrat Fluoro Chemicals Limited	₹ 1	106,953	110,000	3.07	3.15
Microsec Financial Services Limited	₹ 10	1,176	1,176	0.01	0.01
Tectura Corporation		268	268	- @	- @
Dhunseri Infrastructure Limited	₹ 10	50,000	-	0.05	-
International Paper APPM Ltd. (formerly The Andhra Pradesh Paper Mills Ltd.)	₹ 10	98,877	98,877	1.71	1.71
Total Long term Investments				**263.08**	**224.44**
Current Investments					
Dhunseri Tea & Industries Limited	₹ 10	50,000	-	0.05	-
HDFC FMP March (2)-Growth Series XXI*-INF179K01QE0	₹ 10	-	33,000,000	-	33.00

Note 52 CLASSIFICATION OF INVESTMENTS IN ACCORDANCE WITH AS 13: ACCOUNTING FOR INVESTMENTS: *(Contd.)*

(₹ in crores)

Description	Face Value	No. of Shares/Units		Book Value	
		As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
HDFC Top 200 Fund Growth	₹ 10	147	-	@	-
HDFC FMP 370D April 2013 (1) Series-26-Regular-Growth	₹ 10	6,243,860	-	6.24	-
HDFC FMP 366D April 2013 (1) Series-26-Regular-Growth	₹ 10	30,000,000	-	30.00	-
Total Current Investments				**36.29**	**33.00**
Grand Total				**299.37**	**257.44**
Disclosed Under:					
Non Current Investments (Refer Note 15)				263.08	224.44
Current Investments (Refer Note 18)				36.29	33.00
				299.37	**257.44**

@ Below the rounding off norms of the Company

Note 53 UNDERTAKING GIVEN TO LENDERS OF SUBSIDIARY COMPANIES

The Company had invested an amount of ₹ 196.26 crores (Previous Year - ₹ 156.62 crores) by way of equity contribution up to 31st March, 2014, towards PET Resin manufacturing project in its subsidiary company Egyptian Indian Polyester Company S.A.E. (EIPET). 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, 2014 amounts to US$ 16.13 crores equivalent ₹ 969.61 crores (Previous Year-US$ 8.09 crores, equivalent ₹ 440.00 crores), which is not due for payment.

Note 54

Miscellaneous expenses (Refer Note 34) include a donation of ₹ 1.00 crore (Previous Year ₹ Nil) for a political purpose to Satya Electoral Trust.

Note 55

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

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

Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: May 22, 2014

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

Dhunseri

CASH FLOW STATEMENT for the year ended 31st March, 2014

(₹ in crores)

	Year Ended 31.03.2014	Year Ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation including the results of discontinuing operation	100.64	99.85
Adjustments for:		
Interest Income	(21.96)	(14.27)
(Profit)/Loss on sale of assets	0.03	(12.44)
Dividend income	(0.02)	(0.03)
(Profit)/Loss on investments (net)	(2.38)	(4.99)
Finance Cost	65.10	43.81
Depreciation and Amortisation	48.75	38.59
Bad Debts/Advance Written off	4.74	0.40
Inventory of Raw Material written off	-	0.93
Liabilities no longer required written back	(0.70)	(1.00)
Claim Receivable written off	-	2.93
Mark to Market Loss	-	0.28
Unrealized Foreign Exchange Loss/(Gain)	(29.59)	(5.86)
Amortisation of foreign currency monetary item translation difference	1.06	-
Asset Written off	1.09	-
Operating Profit before Working Capital Changes	**166.76**	**148.20**
Adjustments for:		
Trade and other receivables	(60.98)	(408.50)
Inventories	(0.39)	(236.20)
Trade payables and other liabilities	(14.22)	(175.91)
Cash generated from operations	91.17	(672.41)
Direct Taxes (Paid)/Received (net)	(24.33)	(12.61)
Net Cash from/(used in) Operating Activities	**66.84**	**(685.02)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Repayment of Loan by Related Party	5.96	-
Advance to Related Party	(13.41)	(1.95)
Purchase of fixed assets	(21.78)	(98.88)
Payment for shares purchased in erstwhile subsidiary	-	(12.84)
Sale of fixed assets	5.64	42.93
Purchase of Long Term investments	-	(2.37)
Purchase of Current Investments	(36.24)	(33.20)
Purchase of Investment in subsidiaries	(39.74)	(61.97)
Sale of Investment in Subsidiaries	0.10	-
Sale of Non Current Investment	0.06	3.97
Sale of Current investments	36.27	63.63
Realisation of deposits made with bodies corporate & others	-	0.55
Realisation/(Placement) of fund in deposits with bank	(70.81)	6.76
Dividend received	0.02	0.03
Interest received	22.37	15.29
Net Cash used in Investing Activities	**(111.56)**	**(78.05)**

CASH FLOW STATEMENT *(Contd.)* for the year ended 31st March, 2014

(₹ in crores)	Year Ended 31.03.2014	Year Ended 31.03.2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Premium on redemption of FCCB	-	(14.80)
Proceeds from long term borrowings	138.20	75.05
Repayment of long term borrowings	(112.61)	(18.04)
Proceeds/(Repayments) of Short Term Borrowings (net)	81.15	714.47
Dividend paid [including tax thereon ₹ 2.63 crores (Previous Year- ₹ 2.56 crores)]	(18.29)	(18.24)
Interest paid [includes interest capitalised ₹ Nil (Previous Year- ₹ 8.71 crores)]	(63.97)	(52.39)
Net Cash from Financing Activities	**24.48**	**686.05**
D. Exchange Difference on Transalation of Foreign Curency Cash and Cash Equivalents	**0.02**	**-**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)	**(20.22)**	**(77.02)**
Cash and Cash Equivalents (opening balance) (Refer Note 21)	44.21	121.23
Cash and Cash Equivalents (closing balance) (Refer Note 21)	23.99	44.21

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

b. The above Cash flow has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements.

c. For disclosures relating to discontinuing operations, Refer note 35.

d. The note referred to above form an integral part of the Cash Flow Statement.

e. Previous years' 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 Number:301056E
Chartered Accountants

Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: May 22, 2014

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

INDEPENDENT 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, 2014, 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 Consolidated Financial Statements

2. The Company's Management 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 and other applicable authoritative pronouncements 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

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 components 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, 2014;
   - (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 six subsidiaries included in the consolidated financial statements, which constitute total assets of ₹ 1526.65 crores and net assets of ₹ 364.95 crores as at March 31, 2014, total revenue of ₹ 119.26 crores, net profit of ₹ 4.72 crores and net cash flows amounting to ₹ 5.42 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

Pradip Law
Partner
Membership Number 51790

Kolkata
May 22, 2014

CONSOLIDATED BALANCE SHEET as at 31st March, 2014

(₹ in crores)

	Notes	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	35.03	35.03
Reserves and surplus	3	799.11	741.11
Minority Interest		97.05	72.56
		931.19	**848.70**
Non-Current Liabilities			
Long-term borrowings	4	1,008.47	850.88
Deferred tax liabilities (Net)	5	106.47	90.10
Other Long-term liabilities	6	0.53	0.50
Long-term provisions	7	3.98	2.82
		1,119.45	**944.30**
Current Liabilities			
Short-term borrowings	8	1,175.83	1,108.11
Trade payables	9	659.70	269.19
Other current liabilities	10	255.06	118.60
Short-term provisions	11	20.01	21.50
		2,110.60	**1,517.40**
Total		**4,161.24**	**3,310.40**
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	12	993.22	993.52
Intangible assets	13	18.87	19.93
Capital work-in-progress	14	1,011.46	665.58
Non-current investments	15	4.80	4.88
Long-term loans and advances	16	23.32	62.10
Other non-current assets	17	5.03	5.15
		2,056.70	**1,751.16**
Current Assets			
Current investments	18	36.29	33.00
Inventories	19	881.79	477.20
Trade receivables	20	478.81	532.35
Cash and Bank balances	21	310.07	232.65
Short-term loans and advances	22	188.82	140.67
Other current assets	23	208.76	143.37
		2,104.54	**1,559.24**
Total		**4,161.24**	**3,310.40**

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

The notes are an integral part of these financial statements

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

Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: May 22, 2014

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

(₹ in crores)

	Notes	Year ended 31.03.2014	Year ended 31.03.2013
Revenue from operations (gross)	27	4,092.05	2,414.47
Less: Excise duty		210.53	159.45
Revenue from operations (net)		3,881.52	2,255.02
Other income	28	37.60	21.30
Total Revenue		**3,919.12**	**2,276.32**
Expenses:			
Cost of materials consumed	29	3,248.77	2,008.73
Purchases of stock -in-trade		5.01	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	20.92	(146.10)
Employee benefits expense	31	30.58	23.15
Finance costs	32	59.55	33.20
Depreciation and amortisation expense	33	43.80	32.82
Other expenses	34	432.70	242.11
Total Expenses		**3,841.33**	**2,193.91**
Profit before prior period items and tax		**77.79**	**82.41**
Prior Period Adjustments		-	38.45
Profit before tax		**77.79**	**120.86**
Tax expense:			
Current tax		11.20	10.47
Adjustment for earlier years		(3.37)	(3.58)
Deferred tax		13.35	9.61
Profit after Tax and before Minority Interest		**56.61**	**104.36**
Share of Minority Interest in Subsidiary Company		(1.40)	13.17
Profit after Tax and Minority Interest from continuing operations (A)		**58.01**	**91.19**
Profit before tax for the period from discontinuing operation	35	**30.30**	**13.67**
Tax expense of discontinuing operation		8.87	4.35
Profit for the period from discontinuing operation (B)		**21.42**	**9.32**
Profit for the period (A+B)		**79.43**	**100.51**
Earnings per equity share: [Nominal value per share: ₹ 10/- each (Previous Year- ₹ 10/- each)]			
(1) Basic	40	22.68	28.70
(2) Diluted	40	22.68	28.35

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

The notes are an integral part of these financial statements

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

Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: May 22, 2014

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 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	
			31.03.2014	31.03.2013
Egyptian Indian Polyester Company S.A.E. (EIPET)	Subsidiary	Egypt	70.00%	70.00%
Dowamara Tea Company Pvt. Ltd. (DTCPL) (Refer Note iv below)	Subsidiary	India	-	100.00%
Dhunseri Petrochem and Tea Pte Limited (DPTPL)	Subsidiary	Singapore	100.00%	100.00%
Makandi Tea and Coffee Estates Limited (MTCEL)@	Subsidiary	Malawi	100.00%	100.00%
Kawalazi Estate Company Limited (KECL)@	Subsidiary	Malawi	100.00%	100.00%
Dhunseri Tea & Industries Limited (DTIL) [Refer Note (iii) below]	Subsidiary	India	100.00%	-
Dhunseri Infrastructure Limited (DIL) [Refer Note (iii) below]	Subsidiary	India	100.00%	-

@ Represents subsidiary of DPTPL

(ii) The reporting date of EIPET and DPTPL and its subsidiaries is 31st December, 2013 which is three months prior to the reporting date of these Consolidated Financial Statements. The financial statements of EIPET and DPTPL have been consolidated as of the reporting date i.e. 31st December, 2013 with significant transactions of next three months, if any.

(iii) During the year, the Group has acquired the entire controlling interest in two subsidiary companies, DTIL and DIL with effect from 01st February, 2014. However DTIL has not been considered for consolidation as the control is intended to be temporary in nature for reasons stated in Note 35. Pursuant to such acquisition net assets of ₹ 0.05 crore as at 31.03.2014 and net loss @ for the period ended 31.03.2014 of DIL has been incorporated in these Accounts.

(iv) The Group has disposed of its controlling interest in DTCPL with effect from 20.03.2014. The net liability of DTCPL on the date of disposal amount to ₹ 1.42 crores (as at 31 March, 2013 ₹ 1.98 crores) and the net loss for the period upto disposal amount to ₹ 1.14 crores (for the Previous Year ₹ 0.81 crore). Pursuant to such disposal Goodwill arising on consolidation pertaining to DTCPL amounting to ₹ 1.01 crores has been adjusted.

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

B-SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for certain tangible fixed assets which are being carried at revalued amounts. Pursuant to circular 15/2013 dated 13th September, 2013 read with circular 08/2014 dated 4th April, 2014, both issued by the Ministry of Corporate Affairs, Government of India, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended].

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 with effect from 1st April, 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 Capital Reserve.

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

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

(o) **Provisions and Contingent Liabilities**

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

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

(p) **Derivative Instruments**

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

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

Derivative contracts (other than Forward Exchange contracts covered under Accounting Standard 11 on "The Effects of changes in Foreign Exchange Rates") outstanding as at the Balance Sheet date are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of the Institute of Chartered 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 in all material respect and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

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

	As at 31.03.2014	As at 31.03.2013
	(₹ in crores)	
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)	35.02	35.02
(Equity Shares of ₹ 10/- each)		
Add: Shares Forfeited	0.01	0.01
	35.03	35.03

(a) **Reconciliation of number of shares**

(₹ in crores)

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	Amount	No. of Shares	Amount
Balance 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 Parent 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,2014)**

(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

	As at 31.03.2014	As at 31.03.2013
	(₹ in crores)	
Capital Reserve	2.62	2.62
Capital Redemption Reserve	0.12	0.12
Securities Premium Account		
Balance as at the beginning of the year	16.61	31.41
Less: Premium on redemption of Zero Percent Foreign Currency Convertible Bonds (Refer Note 37)	-	14.80
Balance as at the end of the year	16.61	16.61
General Reserve		
Balance as at the beginning of the year	609.88	602.18
Add: Transfer from Surplus in Statement of Profit and Loss	7.49	7.70
Less: Deduction during the year	-	-
Balance as at the end of the year	617.37	609.88

Note 3 RESERVES AND SURPLUS *(Contd.)*

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Foreign Currency Monetary Item Translation Difference Account		
Balance as at the beginning of the year	(0.89)	-
Add : Arisen during the year	(5.93)	(0.89)
Less: Amortised during the year	1.06	
Balance as at the end of the year	(5.76)	(0.89)
Foreign Exchange Translation Reserve		
Balance as at the beginning of the year	5.71	(3.62)
Add: Addition during the year	0.56	9.33
Balance as at the end of the year	6.27	5.71
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	107.06	32.57
Add : Profit for the year	79.43	100.51
Add : Movement on Disposal of Subsidiary [Refer Note 1A (iv)]	1.39	-
Less: Appropriations		
Transfer to General Reserve	(7.49)	(7.70)
Proposed dividend on Equity Share for the year	(15.76)	(15.76)
Dividend Distribution Tax on Proposed Dividend @	(2.75)	(2.56)
Balance as at the end of the year	161.88	107.06
Total	799.11	741.11

@ Including ₹ 0.07 crore (Previous Year ₹ Nil) in respect of earlier year.

Note 4 LONG-TERM BORROWINGS

Secured		
Term Loans		
From banks	822.07	692.02
From Other Parties	186.40	158.86
	1,008.47	850.88

Note 5 DEFERRED TAX LIABILITIES (NET)

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Deferred Tax Liabilities		
- Depreciation	138.93	93.84
- Others	1.98	3.21
	140.91	**97.05**
Deferred Tax Assets		
Items allowable for tax purposes on payment	32.86	1.59
Unabsorbed Capital Loss @	0.19	-
Unabsorbed Depreciation	-	0.86
Tax losses #	1.39	4.50
	34.44	**6.95**
Net Deferred Tax Liabilities	**106.47**	**90.10**

@ Expected to be realised against future capital gain

Expected to be realised against future taxable income Deferred tax charge/(credit) for the year includes exchange gain of ₹ 1.12 crores (Previous Year ₹ 1.50 crores) on account of reinstatement of year ended Deferred tax assets and liabilities.

Note 6 OTHER LONG-TERM LIABILITIES

Security Deposits	0.53	0.50
	0.53	**0.50**

Note 7 LONG-TERM PROVISIONS

Provision for employee benefits		
Provision for Gratuity	1.10	0.79
Provision for Leave Encashment	1.82	1.49
Provision for pension and gratuity under defined contributory schemes	1.06	0.54
	3.98	**2.82**

Note 8 SHORT-TERM BORROWINGS

Secured		
Loan Repayable on demand from Banks [includes ₹ 108.39 crores (Previous Year ₹ 266.09 crores) on account of bills discounted.]	913.84	840.39
Other Loans from Bank	67.86	95.75
	981.70	**936.14**
Unsecured		
Loan Repayable on demand from Banks [includes ₹ 57.00 crores (Previous Year ₹ 57.86 crores) on account of bills discounted.]	167.11	127.24
Other Loans from Banks	27.02	44.73
	194.13	**171.97**
	1,175.83	**1,108.11**

Note 9 TRADE PAYABLES

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Trade payables	659.70	269.19
	659.70	**269.19**

Note 10 OTHER CURRENT LIABILITIES

Current maturities of Long-term borrowings (Refer Note 4)	174.47	57.00
Interest accrued but not due on borrowings	6.39	5.24
Unpaid Dividends	0.65	0.55
Advance from Customers/Agents	27.70	19.75
Employee benefits	9.87	8.04
Liability for Capital goods	2.10	6.64
Statutory Dues	16.41	11.85
Mark to Market Loss on Forward Contracts	1.05	5.02
Others	16.42	4.51
	255.06	**118.60**

Note 11 SHORT-TERM PROVISIONS

Provision for employee benefits		
Provision for Gratuity	1.03	2.74
Provision for Leave Encashment	0.33	0.18
Provision for pension and gratuity under defined contributory schemes	0.19	0.26
	1.55	**3.18**
Others		
Provision for Taxation(Net of Advances)	0.02	-
Provision for Proposed Dividend	15.76	15.76
Provision for Tax on Dividend	2.68	2.56
	18.46	**18.32**
	20.01	**21.50**

Note 12 TANGIBLE ASSETS

(₹ in crores)

Particulars	Gross Block						Depreciation						Net Block	
	As at 31.03.2013	Addition	Disposal	Added on Consolidation	Other Adjustment	As at 31.03.2014	As at 31.03.2013	For the year	Disposal [Refer (e) below]	Added on Consolidation	Other Adjustment	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Leasehold Land	17.44	-	-	-	-	17.44	0.94	0.20	-	-	-	1.14	16.30	16.50
Freehold Land	29.10	0.09	-	-	1.90	31.09	-	-	-	-	-	-	31.09	29.10
Land & Estate Development	150.19	2.03	0.55	-	(6.74)	144.93	0.08	-	-	-	-	0.08	144.85	150.11
Building [Refer (d) below]	223.44	5.86	2.93	-	5.12	231.49	25.63	5.96	0.59	-	(0.24)	30.76	200.73	197.81
Plant and Equipment	822.66	26.81	10.94	-	24.00	862.53	237.96	44.18	1.52	-	(0.92)	279.70	582.83	584.70
Furniture and Fixtures	8.19	0.45	0.09	-	-	8.55	2.66	0.90	0.02	-	(0.24)	3.30	5.25	5.53
Vehicles	14.56	2.86	1.11	-	1.24	17.55	6.27	1.29	0.80	-	0.55	7.31	10.24	8.29
Office Equipment	2.52	0.66	0.01	-	(0.02)	3.15	1.04	0.20	0.01	-	(0.01)	1.22	1.93	1.48
Total	**1,268.10**	**38.76**	**15.63**	**-**	**25.50**	**1,316.73**	**274.58**	**52.73**	**2.94**	**-**	**(0.86)**	**323.51**	**993.22**	**993.52**
Previous Year	**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**	

(a) Quality upgradation subsidy amounting to ₹ 0.06 crore (Previous Year ₹ 0.10 crore) received during the year under Tea Board Quality Upgradation & Product Diversification Scheme and Transport Subsidy ₹ 0.01 crore (Previous Year ₹ Nil) received from Tea Board under Plantation Development Scheme have been adjusted against the cost of the respective assets.

(b) Other adjustment column includes adjustments on account of exchange difference ₹ 25.50 crores (Previous Year ₹ 27.30 crores) and borrowing cost ₹ Nil (Previous Year ₹ 17.53 crores)

(c) Disposal column includes Gross Block and Accumulated Depreciation on account of Assets written off worth ₹ 1.28 crores (Previous Year ₹ Nil) and ₹ 0 .19 crore (Previous Year ₹ Nil) respectively and ₹ 4.11 crores (Previous Year- ₹ Nil) on account of realisation of Liquidated Damages.

(d) Gross Block and Accumulated depreciation include building on rented land amounting to ₹ 5.96 crores (Previous Year ₹ 5.22 crores) and ₹ 5.55 crores (Previous Year ₹ 4.90 crores) respectively.

(e) Disposal column under Gross Block and Depreciation includes ₹ 6.44 crores (Previous Year ₹ Nil) and ₹ 1.66 crores (Previous Year ₹ Nil) respectively being amounts eliminated from consolidation pursuant to disposal of a subsidiary as indicated in Note 1A (iv).

Note 13 INTANGIBLE ASSETS

(₹ in crores)

Particulars	Gross Block						Amortisation						Net Block	
	As at 31.03.2013	Addition	Disposal [Refer (a) below]	Added on Consolidation	Other Adjustment	As at 31.03.2014	As at 31.03.2013	For the year	Disposal	Added on Consolidation	Other Adjustment	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Computer software @	1.03	0.03	-	-	-	1.06	0.70	0.07	-	-	-	0.77	0.29	0.33
Technical Know-how @	22.85	-	-	-	-	22.85	21.69	0.01	-	-	-	21.70	1.15	1.16
Goodwill arising on consolidation	18.44	-	1.01	-	-	17.43	-	-	-	-	-	-	17.43	18.44
Total	**42.32**	**0.03**	**1.01**	**-**	**-**	**41.34**	**22.39**	**0.08**	**-**	**-**	**-**	**22.47**	**18.87**	**19.93**
Previous Year	**24.62**	**0.27**	**-**	**17.43**	**-**	**42.32**	**20.87**	**1.52**	**-**	**-**	**-**	**22.39**	**19.93**	

@ Acquired

(a) Represents adjustment arising on disposal of a subsidiary as indicated in Note 1A (iv)

Note 14 CAPITAL WORK-IN-PROGRESS

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Capital work-in-progress	1,011.46	665.58
	1,011.46	**665.58**

Note 14 CAPITAL WORK-IN-PROGRESS *(Contd.)*

(₹ in crores)

Capital Work-in-Progress includes:	2013-14	2012-13
(i) Borrowing Cost capitalised during the year [net of interest income of ₹ Nil (Previous Year ₹ 0.90 crore]	40.95	11.64
Cumulative as on year end	71.11	30.16
(ii) Loss/(Gains) on foreign currency transactions and translations capitalised	1.46	(0.25)
(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	18.44	13.46
Consumption of stores and spare parts including packing material	-	3.45
Salaries and Wages	0.84	1.81
Contribution to provident and other fund	0.03	0.07
Staff welfare expenses	-	0.14
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	1.71	0.19
Insurance	13.33	9.14
Miscellaneous Expenses	9.89	2.39
(A)Total Expenditure	**44.24**	**174.79**
Less :		
Sale of Products	1.13	150.75
Other Operating Revenues	-	1.52
(B) Total Income	**1.13**	**152.27**
(C) Pre Operative/Trial Run Expenses (net of Income) (A-B)	**43.11**	**22.52**

Note 15 NON-CURRENT INVESTMENTS

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Equity Shares - Quoted, Fully Paid up	4.79	4.87
Equity Shares - Unquoted, Fully Paid up	0.01	0.01
	4.80	4.88
Aggregate Market Value of Quoted Investments	5.70	5.20

Note 16 LONG-TERM LOANS AND ADVANCES

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Capital Advances	19.64	34.40
Security Deposits		
With Related Party (Refer Note 42)	1.28	1.28
With Others	2.01	2.39
Other Loans		
To Staff	0.12	0.17
To Bodies Corporate	0.27	0.27
Prepaid Expenses	-	23.59
	23.32	**62.10**

Note 17 OTHER NON-CURRENT ASSETS

Vat Refund Receivable	5.02	4.36
Margin Money with bank (with maturity more than 12 months)	0.01	0.19
Fixed Deposits with bank (with maturity more than 12 months)	-	0.60
	5.03	**5.15**

Note 18 CURRENT INVESTMENTS

Investment in a subsidiary company -Equity shares of Dhunseri Tea & Industries Ltd-Unquoted #	0.05	-
Units in Mutual Funds - Unquoted	36.24	33.00
	36.29	**33.00**

Held for disposal vide the Scheme of Arrangement referred to in Note 35

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

Raw materials	630.71	209.86
Work-in-progress	4.43	4.67
Finished goods	187.35	207.49
Stock-in-trade (i.e. Traded goods)	3.38	8.10
Stores and spares including packing materials	55.92	47.08
	881.79	**477.20**

Note 20 TRADE RECEIVABLES

Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	1.49	4.60
Other debts	477.32	527.75
[Includes ₹ 165.39 crores (Previous Year ₹ 313.97 crores) on account of bills discounted with banks]		
	478.81	**532.35**

Note 21 CASH AND BANK BALANCES

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Cash and cash equivalents		
Balances with Banks :		
Current Accounts	46.61	66.13
Cash Credit Accounts	11.29	19.07
Fixed Deposits (with maturity less than 3 months)	3.59	1.95
Unpaid Dividend Account [Refer (a) below]	0.65	0.55
Cheques,Drafts on hand	0.07	0.40
Cash on hand	0.32	0.36
	62.53	**88.46**
Others bank balances		
Fixed Deposits (with maturity greater than 3 months but less than 12 months) [Refer (b) below]	201.31	129.90
Margin Money	46.23	14.29
	247.54	**144.19**
	310.07	**232.65**
(a) Earmarked for payment of dividend		
(b) Includes ₹ 137.21 crores (Previous Year- ₹ 106.68 crores) under lien with a bank		

Note 22 SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Loans and advances to related parties (Refer Note 42)	-	0.02
Deposits with Government Authorities and Others	114.87	84.88
Deposit with National Bank for Agriculture and Rural Development	0.79	1.18
Others:		
Loans to Staff	0.76	0.57
Advance to Suppliers/Service Providers	49.64	40.89
For Nursery Plantation	1.73	1.02
Prepaid Expenses	3.10	6.19
Advance Tax (net of provision)	17.93	5.92
	188.82	**140.67**

Note 23 OTHER CURRENT ASSETS

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Unsecured, considered good		
Interest accrued on Deposits	0.38	0.78
Incentives receivable	95.90	49.09
Excise Duty Receivables	82.47	85.78
Claim receivable	4.33	-
Vat Refund Receivable	1.96	1.95
Receivables against sale of assets	0.41	5.77
Others	23.31	-
	208.76	**143.37**

Note 24 CONTINGENT LIABILITIES

(a) Claims against the Group not acknowledged as debts		
(i) Customs Demand - matter under dispute	@	@
(ii) Service Tax Demand - matter under dispute	0.18	0.18
(iii) Income Tax - matter under dispute	0.83	0.83
(iv) Entry Tax - matter under dispute	11.76	-
(v) Cases which are pending in the courts of Malawi	-	0.18
(vi) Estimated legal damages and legal fees	0.05	-
(b) Third Party Bank and Other Guarantee	2.33	2.19
Bank Guarantee given for Company Staff	0.41	0.56
It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.		
(c) The Group 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 in capital account remaining to be executed and not provided for	26.30	6.98
Other commitments		
(a) In accordance with the Share Purchase Agreement dated 27th July, 2012 entered into between Dhunseri Petrochem and Tea Pte Limited (DPTPL) and the sellers of the subsidiaries, Kawalazi Estate Company Limited and Makandi Tea and Coffee Estate Limited, DPTPL has agreed to pay performance payout to the seller amounting to ₹ 30.95 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. The agreed performance payout is payable within 30 days following the third anniversary after closing date. As on the closing date of the current financial year the said milestone results have not been achieved.	30.95	27.39

Note 26 PROPOSED DIVIDENDS

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
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 31.03.2014	Year Ended 31.03.2013
Sale of Products		
Finished Goods:		
Tea	202.42	131.07
Packet Tea	55.56	54.65
Polyester Chips	3,948.06	2,347.48
Coffee	0.31	0.03
Macadamia	17.80	0.63
Traded Goods:		
Pet Barrier Resins	11.40	3.93
Other Operating Revenues		
Scrap Sales	0.80	0.23
Green Leaf Sales	0.04	-
Export Incentive	128.39	59.56
Other Incentives & Subsidies	3.76	4.07
Gross Revenue	**4,368.54**	**2,601.65**
Less: Excise Duty	210.53	159.45
Net Revenue	**4,158.01**	**2,442.20**
Less: Discontinuing Operations (Refer Note 35)	276.49	187.18
	3,881.52	2,255.02

Note 28 OTHER INCOME

(₹ in crores)

	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest Income	22.04	14.41
Dividend Income from Long Term Investment	0.02	0.03
Profit on Sale of Current Investment	3.24	4.42
Profit on Sale of Long Term Investment	-	0.57
Profit on Sale of Fixed Assets	-	12.46
Liabilities no longer required written back	0.72	1.03
Service Charges Received	0.40	0.12
Insurance Claim	1.33	1.32
Reversal of Provision for Mark to Market Loss on Derivative Contract	7.29	-
Miscellaneous Income	8.98	1.39
	44.02	**35.75**
Less: Discontinuing Operations (Refer Note 35)	6.42	14.45
	37.60	**21.30**

Note 29 COST OF MATERIALS CONSUMED

Opening inventory	209.86	118.08
Add: Purchase during the year	3,718.55	2,154.31
Less: Closing inventory	630.71	209.86
	3,297.70	**2,062.53**
Less: Discontinuing Operations (Refer Note 35)	48.93	53.80
	3,248.77	**2,008.73**

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	187.35	207.49
Work-in-Progress	4.43	4.67
Stock-in-Trade	3.38	8.10
	195.16	**220.26**
Stock at the beginning of year		
Finished Goods	207.49	49.52
Stock taken over on acquisition of Subsidiaries	-	1.17
Work-in-Progress	4.67	2.04
Stock-in-Trade	8.10	11.65
	220.26	**64.38**
Net(Increase)/Decrease in Stock	**25.10**	**(155.88)**
Less: Discontinuing Operations (Refer Note 35)	4.18	(9.78)
	20.92	**(146.10)**

Note 31 EMPLOYEE BENEFITS EXPENSES

(₹ in crores)

	Year Ended 31.03.2014	Year Ended 31.03.2013
Salaries and Wages	70.99	58.28
Contribution to provident and other funds/schemes	4.79	4.32
Gratuity	1.45	2.19
Staff welfare expenses	5.17	4.11
	82.40	**68.90**
Less: Discontinuing Operations (Refer Note 35)	51.82	45.75
	30.58	**23.15**

Note 32 FINANCE COSTS

Interest expense	56.54	35.25
Other borrowing costs	13.54	12.28
	70.08	**47.53**
Less: Discontinuing Operations (Refer Note 35)	10.53	14.33
	59.55	**33.20**

Note 33 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on Tangible assets	52.73	38.58
Amortisation on Intangible assets	0.08	1.52
	52.81	**40.10**
Less: Discontinuing Operations (Refer Note 35)	9.01	7.28
	43.80	**32.82**

Note 34 OTHER EXPENSES

Power & Fuel	112.41	65.64
Consumption of stores and spare parts including packing material	68.68	32.57
Freight, delivery and shipping charges	169.65	85.59
Brokerage and commission on sales	28.51	18.86
Loss on sale of Fixed Assets	0.99	-
Loss on disposal of subsidiary [Refer Note 1A (iv)]	0.86	-
Net loss on foreign currency transactions/translations	69.32	38.02
Amortisation of Foreign Currency Monetary Items Translation Difference	1.06	-
Claim receivable written off	-	2.93
Rent	2.58	2.57
Repairs and Maintenance		
Plant & Machinery	13.25	10.39
Buildings	1.21	1.46
Others	8.67	5.17
Insurance	8.25	5.33
Rates and Taxes	1.36	2.55
Inventory of Raw Materials written off	0.07	0.93

Note 34 OTHER EXPENSES *(Contd.)*

		(₹ in crores)
	Year Ended 31.03.2014	Year Ended 31.03.2013
Bad Debts/Advances written off	3.05	0.40
Assets written Off	1.46	-
Cess on Tea	2.00	1.61
Excise Duty	8.42	2.33
Miscellaneous Expenses	59.06	42.34
	560.84	**318.69**
Less: Discontinuing Operations (Refer Note 35)	128.14	76.58
	432.70	**242.11**

Note 35 DISCONTINUING OPERATIONS

The Board of Directors of the Parent Company at its meeting held on 28th January, 2014 approved a Scheme of Arrangement (the Scheme) for demerger of its "Tea Division" which is engaged in the business of cultivation, production and marketing of tea, together with its investment in its subsidiaries engaged in Tea, Macademia Nuts and Other Plantation business by way of transfer to its existing subsidiary M/s Dhunseri Tea & Industries Limited (DTIL) and reorganisation of the "IT SEZ Division" which is engaged in the business of providing infrastructure facilities to the Information Technology/Information Technology Enabled Services (IT/ITES) units with special economic zone status , by transferring the same to its existing subsidiary M/s Dhunseri Infrastructure Limited (DIL) with effect from the appointed date i.e. 1st April, 2014. The Company has also intimated to the Stock Exchanges about the Scheme on 28th January, 2014. The Tea, Macademia Nuts and Other Plantation business is a separate business segment as per AS-17 "Segment Reporting" and IT SEZ business which is yet to start its operation was included in unallocated assets and liabilities in segment reporting of the Group. The Scheme is subject to requisite approvals, including sanction of the The Hon'ble High Court at Calcutta which is pending. Upon implementation of the Scheme DTIL will be disposed off with effect from the Appointed Date as aforesaid and DIL will continue to be a part of the Group. Accordingly aforesaid Tea, Macademia Nuts and Other Plantation business has been considered as discontinuing operations.

The operating activities of the Company's discontinuing operations are summarised below:

(a) The revenue and expense in respect of the ordinary activities attributable to the discontinuing operation :

		(₹ in crores)
STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue from operations (gross)	276.49	187.18
Less: Excise duty	-	-
Revenue from operations (net)	276.49	187.18
Other income	6.42	14.45
Total Revenue	**282.91**	**201.63**
Expenses:		
Cost of materials consumed	48.93	53.80
Changes in inventories of finished goods, work-in-progress and stock-in-trade	4.18	(9.78)
Employee benefits expense	51.82	45.75
Finance costs	10.53	14.33
Depreciation and amortisation expense	9.01	7.28
Other expenses	128.14	76.58
Total Expenses	**252.61**	**187.96**
Profit before prior period items and tax	**30.30**	**13.67**
Prior Period Adjustments	-	-
Extraordinary Items	-	-
Profit from discontinuing operations before tax	**30.30**	**13.67**

Note 35 DISCONTINUING OPERATIONS *(Contd.)*

(₹ in crores)

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014	Year Ended 31.03.2014	Year Ended 31.03.2013
Tax expense:		
Current tax	4.07	2.61
Adjustment for earlier years	0.67	1.63
Deferred tax	4.14	0.11
Profit for the period from discontinuing operation	**21.42**	**9.32**

(b) The Net Cash Flows attributable to the discontinuing operations are as follows:

Operating Activities	30.19	23.54
Investing Activities	(14.32)	(97.77)
Financing Activities	(21.31)	68.92
Net Cash Inflows/(Outflows)	**(5.44)**	**(5.31)**

Note 36 REVALUATION OF FIXED ASSETS

All fixed assets other than Computers and Furniture & Fixtures located at Ten tea estates and Eight 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 ₹ 183.19 crores) resulting in increase in net book value of assets by ₹ 149.90 crores (Previous Year ₹ 149.90 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 and Leasehold Land & Estate Development were revalued at Plantation Value method.

Note 37 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)

The erstwhile South Asian Petrochem Limited (subsequently merged with the Parent Company) had issued 200 Zero Percent Unsecured Foreign Currency Convertible Bonds (FCCB) of US$ 100,000 each in the year 2007-08. Out of these FCCBs, outstanding bonds had been fully redeemed in the year 2012-13 and the premium on redemption amounting to ₹ Nil (Previous Year- ₹ 14.80 crores) had been adjusted with Securities Premium Account.

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 make payment to vested employees at retirement, death/disability, withdrawal, of an amount based on the respective employee's eligible salary for specified number of days depending upon the tenure of service subject to a maximum limit of ₹ 0.10 crore. 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 1B(g)(ii), based upon which, the Company makes annual contributions for Gratuity to a Trust Fund.

Note 38 EMPLOYEE BENEFIT OBLIGATION *(Contd.)*

I Gratuity (Funded)

(a) Change in Defined Benefit Obligation during the year ended March 31, 2014

		(₹ in crores)
	31st March, 2014	31st March, 2013
Present value of Defined Benefit Obligation as at April 1, 2013	12.88	11.98*
Current Service Cost	0.84	0.74
Interest Cost	1.17	1.09
Benefits Paid	(0.83)	(2.11)
Actuarial (gain)/loss on Obligation	0.25	1.18
Present value of Defined Benefit Obligation as at March 31, 2014	**14.31**	**12.88**

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

(b) Change in Fair Value of Assets during the year ended March 31, 2014

Fair Value of Plan Assets as at April 1, 2013	9.35	8.82
Expected Return on Plan Assets	0.97	0.75
Contributions Made	2.85	1.82
Benefits Paid	(0.83)	(2.11)
Actuarial gain / (loss) on Plan Assets	(0.16)	0.07
Fair value of Plan Assets as at March 31, 2014	**12.18**	**9.35**

(c) Net(Asset)/Liability recognised in the Balance Sheet as at March 31, 2014

Present Value of the Defined Benefit Obligation	14.31	12.88
Fair value of Plan assets	12.18	9.35
Net(Asset)/Liability recognised in the Balance Sheet	**2.13**	**3.53**

(d) Expense recognised in the Statement of Profit and Loss for the year ended March 31, 2014

Current Service Cost	0.84	0.74
Interest Cost	1.17	1.09
Expected return on plan assets	(0.97)	(0.75)
Net actuarial (gain)/loss recognised during the year	0.41	1.11
Total Expense recognised in the Statement of Profit and Loss (in Note 31 - Employee benefits expense under the head "Gratuity")	**1.45**	**2.19**

(e) Major Categories of Plan Assets as a percentage of total plans as at March 31, 2014

Investment with Private Insurance Companies	28.51%	26.84%
Administered by Life Insurance Corporation of India	62.73%	27.78%
Special Deposit and Bonds	6.89%	10.90%
Others Including Bank Balance	1.87%	34.48%
	100.00%	**100.00%**

Note 38 EMPLOYEE BENEFIT OBLIGATION *(Contd.)*

(f) Experience adjustments

(₹ in crores)

	31st March, 2014		31st March, 2013		31st March, 2012		31st March, 2011		31st March, 2010	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
Defined Benefit Obligation as at March 31, 2014	14.31	-	12.88	-	10.96	1.02	9.82	0.82	10.01	0.52
Fair value of Plan Assets	12.18	-	9.35	-	8.82	-	8.48	-	7.41	-
Status Surplus/(Deficit)	(2.13)	-	(3.53)	-	(2.14)	(1.02)	(1.34)	(0.82)	(2.61)	(0.52)
Experience adjustments on Plan Liabilities Gain/(Loss)	0.09	-	(0.87)	-	(0.39)	(0.14)	0.89	(0.10)	(0.95)	(0.19)
Experience adjustments on Plan Assets Gain/(Loss)	(0.15)	-	0.07	-	(0.20)	-	(0.27)	-	0.33	-

(g) Contribution expected to be paid to the plan during the period 2014-15 is C 1.03 crores (Previous Year C 2.74 crores)

(h) Actuarial Assumptions

	Gratuity	
	31st March, 2014	31st March, 2013
Mortality Table	LICI-2006-08	LICI-2006-08
Discount rate	8.25% & 9.2%	8.25% & 8.10%
Salary Escalation rate	5.00% & 10.00%	5.00% & 7.00%
Expected Return on Plan Assets	9.00% & 8.00%	9.00% & 8.00%

(₹ in crores)

(i) Actual Return on Plan Assets	0.81	0.82

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

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)

	31st March, 2014	31st March, 2013
Super Annuation Fund	0.13	0.51
Provident Fund	3.74	3.37
Social Insurance, pension fund and defined contributory Gratuity scheme	0.92	0.44
	4.79	4.32

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 and 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.

(a) Primary Reporting Segment-Business Segment

(₹ in crores)

Particulars	Year Ended 31.03.2014					Year Ended 31.03.2013				
	Polyester Chips	Tea, Macadamia Nuts and Other Plantations	Segment Total	Unallocated	Total Enterprise	Polyester Chips	Tea, Macadamia Nuts and Other Plantations	Segment Total	Unallocated	Total Enterprise
Segment Revenue-Sales to External Customers	3,748.93	276.09	4,025.02	-	4,025.02	2,191.96	186.38	2,378.34	-	2,378.34
Other Operating Revenue	132.59	0.40	132.99	-	132.99	63.07	0.79	63.86	-	63.86
Segment Revenue-Total	3,881.52	276.49	4,158.01	-	4,158.01	2,255.03	187.17	2,442.20	-	2,442.20
Segment Result excluding Prior Period Adjustments	116.54	43.28	159.82	(81.79)	78.03	101.55	27.81	129.36	(54.13)	75.23
Prior Period Adjustments	-	-	-	-	-	38.45	-	38.45	-	38.45
Segment Result after considering Prior Period Adjustments	116.54	43.28	159.82	(81.79)	78.03 @	140.00	27.81	167.81	(54.13)	113.68
Total carrying amount of Segment Assets	3,361.89	381.76	3,743.65	417.59	4,161.24	2,585.88	402.29	2,988.17	322.23	3,310.40
Total amount of Segment Liabilities #	708.41	21.45	729.86	2,500.19	3,230.05	296.34	31.30	327.64	2,134.06	2,461.70
Total cost incurred during the period to acquire segment assets	349.75	20.81	370.56	-	370.56	453.93	124.47	578.40	-	578.40
Total amount of depreciation and amortisation	43.80	9.01	52.81	-	52.81	32.82	7.28	40.10	-	40.10
Total amount of significant non-cash expenses	3.82	0.39	4.21	-	4.21	-	-	-	-	-

Excluding Equity ₹ 834.14 crores (Previous Year ₹ 776.14 crores) and Minority Interest ₹ 97.05 crores (Previous Year ₹ 72.56 crores)

@ Without considering the share of Minority Interest in its subsidiary ₹ (1.40) crores (Previous Year ₹ 13.17 crores)

Note 39 SEGMENT REPORTING: *(Contd.)*

(b) Secondary Segment - Geographical Segment

(₹ in crores)

Particulars	Year Ended 31.03.2014			Year Ended 31.03.2013		
	Outside India	Within India	Total	Outside India	Within India	Total
Segment Revenue-Sales to External Customers	2,225.97	1,932.04	4,158.01	963.59	1,478.61	2,442.20
Segment Assets	1,798.18	1,945.47	3,743.65	409.26	2,578.91	2,988.17
Total cost incurred during the period to acquire segment assets	345.47	25.09	370.56	526.82	51.58	578.40

(c) The Group does not have inter-segment sales.

Note 40 EARNINGS PER EQUITY SHARE

	Year Ended 31.03.2014	Year Ended 31.03.2013
(a) Profit after Tax and Minority Interest attributable to equity shareholders (₹ in crores)	79.43	100.51
(b) Adjustments for Dilutive Earnings net of tax	-	-
(c) Earnings Diluted (₹ in crores)	79.43	100.51
(d) Weighted Average number of Ordinary Shares outstanding	35,024,754	35,024,754
(e) Adjustment for Potential Ordinary Shares	-	433,422
(f) Weighted Average number of Ordinary shares in computing Diluted Earnings Per Share.	35,024,754	35,458,176
-Basic (a / d) (in ₹)	22.68	28.70
-Diluted (c / f) (in ₹)	22.68	28.35

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) Naga Dhunseri Group Limited

(2) Trimplex Investments Limited

(3) Mint Investments Limited

(4) Dhunseri Investments Limited

(B) Key Management Personnel

(5) Mr. C. K. Dhanuka (Executive Chairman)

(6) Mr. M. Dhanuka (Vice Chairman and Executive Director)

(7) Mr. B. Chattopadhyay (Chief Executive Officer and Managing Director)

(8) Mr. R. K. Sharma (Executive Director, Finance)

Note 41 DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS IN KEEPING WITH ACCOUNTING STANDARD 18 *(Contd.)*

(₹ in crores)

	Year Ended 31.03.2014	Year Ended 31.03.2013
Nature of Transactions/Balances		
A. Group Companies (i.e. Companies in which Key Management Personnel is able to exercise significant influence)		
Trimplex Investments Limited		
- Rent and Service Charges	1.20	1.12
- Security Deposits	1.28	1.28
- Purchase of shares	0.03	
- Receivable / (Payable)	-	0.02
Naga Dhunseri Group Limited		
- Rent Paid	0.28	0.28
- Purchase of Car	0.13	
Mint Investments Limited		
- Rent and Service Charges	0.35	0.34
- Purchase of goods	0.02	-
Dhunseri Investments Limited		
- Rent and Service Charges	0.99	0.95
B. Key Management Personnel		
Mr. C. K. Dhanuka		
- Remuneration	2.74	2.43
- Rent Received	0.01	0.01
- Receivable / (Payable)	(2.46)	(2.43)
Mr. M. Dhanuka		
- Remuneration	1.98	1.83
- Rent Received	0.01	0.01
- Receivable / (Payable)	(1.00)	(1.12)
Mr. B. Chattopadhyay		
- Remuneration	0.94	0.96
Mr. R. K. Sharma		
- Remuneration	0.63	0.66

Note 42 LEASE OBLIGATION

Operating Lease

The Group has taken various office premises under operating lease having tenures of 11 months / 9 years. There is no specific obligation for renewal of these agreements. Lease rent for the year amounts to ₹ 2.18 crores (Previous Year ₹ 1.76 crores) debited to Statement of Profit and Loss.

Note 43 CLASSIFICATION OF INVESTMENTS IN ACCORDANCE WITH AS- 13 : ACCOUNTING FOR INVESTMENTS

(₹ in crores)

	As at 31.03.2014	As at 31.03.2013
Long Term Investments		
Equity Shares - Quoted , Fully Paid up	4.79	4.87
Equity Shares - Unquoted , Fully Paid up	0.01	0.01
	4.80	**4.88**
Current investments		
Investment in a subsidiary company -Equity shares of Dhunseri Tea & Industries Ltd-Unquoted	0.05	-
Units in Mutual Funds-Unquoted	36.24	33.00
	36.29	**33.00**
Grand Total	**41.09**	**37.88**
Disclosed Under:		
Non Current Investments (Refer Note 15)	4.80	4.88
Current Investments (Refer Note 18)	36.29	33.00
	41.09	**37.88**

Note 44

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 31.03.2014	Year Ended 31.03.2013
Inventories	19	10.91	8.72
Accumulated Depreciation	12	3.24	0.11
Depreciation	12	1.29	1.18

Note 45

The Previous Year figures have been regrouped/reclassified to conform to this year's classification.

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

Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: May 22, 2014

C. K. Dhanuka
Executive Chairman

R. K. Sharma
Executive Director (Finance)

For and on behalf of the Board

M. Dhanuka
Vice Chairman & Managing Director

B. Chattopadhyay
Managing Director & CEO

J. P. Kundra
Director

V. Goel
CFO

K. V. Balan
Company Secretary & Compliance Officer

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2014

(₹ in crores)

	Year Ended 31.03.2014	Year Ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation including the result of discontinuing operation	108.09	134.53
Adjustments for:		
Interest Income	(22.04)	(14.41)
(Profit)/Loss on sale of fixed assets	0.99	(12.46)
Dividend income	(0.02)	(0.03)
(Profit)/Loss on sale of investments (net)	(2.38)	(4.99)
Prior Period Adjustments	-	(38.45)
Finance Cost	70.08	47.53
Depreciation and Amortisation	52.81	40.10
Bad Debts /Advances written off	3.05	0.40
Inventory of Raw Materials written off	0.07	0.93
Assets Written Off	1.46	-
Liabilities no longer required written back	(0.72)	(1.03)
Claim Receivable written off	-	2.93
Mark to Market Loss	1.05	5.02
Reversal of Mark to Market Loss	(7.29)	-
Amortisation of foreign currency monetary item translation difference	1.06	
Unrealized Foreign Exchange Loss/(Gain)	(53.07)	37.57
Operating Profit before Working Capital Changes	**153.14**	**197.64**
Adjustments for:		
Trade and other receivables	(66.85)	(391.02)
Inventories	(404.70)	(239.77)
Trade payables and other liabilities	412.09	(212.18)
Cash generated from operations	**93.68**	**(645.33)**
Direct Taxes (Paid) / Received	(24.57)	(13.19)
Net Cash (used in)/ from Operating Activities	**69.11**	**(658.52)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Advances to related party	-	(0.02)
Purchase of fixed assets	(296.75)	(475.95)
Payment for shares purchased in erstwhile subsidiary	-	(12.84)
Sale of fixed assets	5.58	43.30
Purchase of Non Current investments	-	(2.37)
Purchase of Current Investments	(36.24)	(33.20)
Acquisition of subsidiaries [Refer Note 1A (iii)]	(0.10)	(122.22)
Sale of Non Current Investment	0.06	3.97
Sale of Current investments	36.27	63.63
Sale of investments in subsidiaries [Refer Note 1A (iv)]	0.10	-
Realisation of loans/deposits made with bodies corporate & others	-	0.55
Realisation of/ (Investments in) deposits	(70.81)	6.76
Dividend received	0.02	0.03
Interest received	22.44	15.43
Net Cash used in Investing Activities	**(339.43)**	**(512.93)**

CONSOLIDATED CASH FLOW STATEMENT *(contd.)* for the year ended 31st March, 2014

(₹ in crores)

	Year Ended 31.03.2014	Year Ended 31.03.2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Premium on redemption of FCCB	-	(14.80)
Proceeds from Long Term borrowings	354.60	367.22
Repayment of Long Term borrowing	(105.32)	(18.04)
Proceeds from issue of shares to minority	16.71	-
Proceeds/(Repayments) of Short Term Borrowings	97.29	723.32
Dividend paid [including tax thereon ₹ 2.63 crores (Previous Year- ₹ 2.56 crores)]	(18.29)	(18.24)
Interest paid	(106.07)	(54.54)
Net Cash from Financing Activities	**238.92**	**984.92**
D. Exchange Difference on Transalation of Foreign Currency Cash and Cash Equivalents	**5.76**	**4.23**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C+D)	**(25.64)**	**(182.30)**
Cash and Cash Equivalents (opening balance) (Refer Note 21)	88.46	270.22
Cash and Cash Equivalents on disposal of Subsidiary [Refer Note 1A (iv)]	(0.34)	-
Cash and Cash Equivalents Due to acquisition of subsidiaries [Refer Note 1A (iii)]	0.05	0.54
Cash and Cash Equivalents (closing balance) (Refer Note 21)	62.53	88.46

a The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements.

b For disclosures relating to discontinuing operations, Refer Note 35.

c The note referred to above form an integral part of the Cash Flow Statement.

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

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

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

Pradip Law
Partner
Membership Number 51790

Place: Kolkata
Date: May 22, 2014

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

DETAILS OF SUBSIDIARY COMPANIES FORMING PART OF CONSOLIDATED ACCOUNTS

(₹ in crores)

Sl No.	Particulars	Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	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	5.70	(0.45)	22.27	22.27	-	0.13	(0.06)	-	(0.06)	-	Egypt
		INR	280.09	44.98	1,378.69	1,378.69	-	7.36	(3.73)	-	(3.73)	-	Egypt
2	Dowamara Tea Company Pvt. Ltd. **	INR	-	-	-	-	-	8.88	0.56	-	0.56	-	India
3	Dhunseri Infrastructure Limited **	INR	0.05	- @	0.05	0.05	-	-	- @	-	- @	-	India
4	Dhunseri Petrochem & Tea Pte Ltd	USD	1.12	0.01	2.27	2.27	-	0.13	0.06	-	0.05	-	Singapore
		INR	61.25	0.40	140.29	140.29	-	7.40	3.57	-	3.22		Singapore
5	Makandi Tea and Coffee Estates Limited	Malawi Kwacha	1.39	238.38	390.04	390.04	-	362.29	65.65	-	43.54	-	Malawi
		USD	0.01	0.56	0.95	0.95	-	1.02	0.18	-	0.11	-	Malawi
		INR	0.28	34.85	58.51	58.51	-	59.68	10.28	-	6.63	-	Malawi
6	Kawalazi Estate Company Limited	Malawi Kwacha	3.40	288.38	438.04	438.04	-	261.39	11.71	-	10.82	-	Malawi
		USD	0.01	0.69	1.06	1.06	-	0.73	(0.03)	-	(0.04)		Malawi
		INR	0.70	42.99	65.71	65.71	-	43.06	(1.94)	-	(2.09)	-	Malawi

Note: 1) Exchange rate as on 31.12.2013: 1 USD = ₹ 61.897

2) Exchange Rate as on 31.12.2013: 412.595MKW = 1 USD

** During the year, the Group has acquired the entire controlling interest in two subsidiary companies, DTIL and DIL with effect from 01st February, 2014 .However Dhunseri Tea & Industries Limited (DTIL) has not been included in the consolidated Financial Statements as the holding is intended to be temporary in nature. During the year Company's investment in Dowmara Tea Company Private Limited has been disposed off w.e.f 20.03.2014

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

CORPORATE INFORMATION
(as on May 22, 2014)

BOARD OF DIRECTORS
P K Khaitan

J P Kundra

Dr B Sen

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
International Finance Corporation, Washington
Punjab National Bank
Standard Chartered Bank
State Bank of India
The Hongkong and Shanghai Banking Corporation Limited
The Ratnakar Bank Limited
UCO Bank
United Bank of India

REGISTERED OFFICE
"Dhunseri House", 4A, Woodburn Park,
Kolkata-700020.
Phone – 91 33 2283 6128-33
Fax – 91 33 22801956
E-mail: investors@aspetindia.com
Website: www.dhunseritea.com

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.

IT SEZ
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

Dhunseri Petrochem & Tea Pte Limited,
80 Raffles Place, UOB Plaza 1,
#26-01, Singapore 048624

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

Kawalazi Estate Company Limited,
Kawalazi Estate, Nkhatabay, Malawi.

Dhunseri Tea & Industries Limited,
"Dhunseri House", 4A, Woodburn Park,
Kolkata-700020.

Dhunseri Infrastructure Limited,
"Dhunseri House", 4A, Woodburn Park,
Kolkata-700020.

REGISTRARS AND SHARE TRANSFER AGENTS
Maheshwari Datamatics Pvt. Limited
6, Mangoe Lane, 2nd Floor,
Kolkata-700001
Phone: 91 33 2243-5029, 2243-5809
Fax: 91 33 2248-4787
Email: mdpl@cal.vsnl.net.in, mdpldc@yahoo.com

Dhunseri

Dhunseri Petrochem & Tea Limited

www.dhunseritea.com>www.aspetindia.com

Dhunseri

Dhunseri Petrochem & Tea Limited

CIN No. L15492WB1916PLC002697

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

Email: aspet@cal2.vsnl.net.in Website: www.dhunseritea.com

Phone: 91 33 22836128-33 Fax: +91 33 22836056, 22834216, 22801956

Notice

NOTICE is hereby given that the 98th 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, 14th August, 2014, at 10.30 A.M.** to conduct the following business:

ORDINARY BUSINESS

Item No. 1- Adoption of Financial Statements

To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014, including the audited Balance Sheet as at 31st March, 2014, the Profit & Loss Account for the year ended 31st March, 2014, the Cash Flow Statement for the year ended 31st March, 2014 and the Reports of the Board of Directors and Auditors' thereon.

Item No. 2 - To declare dividend

Item No. 3 - Appointment of Director

To appoint a Director in place of Mr. Rajiv Kumar Sharma, holding DIN 05197101, who retires by rotation and being eligible offers himself for re-appointment.

Item No. 4 - Appointment of Statutory Auditors

To appoint, M/s. Lovelock & Lewes, Chartered Accountants, (Regn. No. 301056E) as the Statutory Auditors of the Company to hold office from the conclusion of this 98th AGM until the conclusion of the 101st AGM of the Company and to fix their remuneration and to pass the following Resolution thereof.

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, M/s. Lovelock & Lewes, Chartered Accountants, (Regn. No. 301056E), be and are hereby appointed as the auditors of the Company, to hold office from the conclusion of this 98th AGM to the conclusion of the 101st AGM (subject to ratification of the appointment by the Members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be recommended by the audit committee in consultation with the auditors."

SPECIAL BUSINESS

Item No. 5 - Re-appointment of Mr. Chandra Kumar Dhanuka as the Executive Chairman

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, approval be and is hereby granted to the re-appointment of Mr. Chandra Kumar Dhanuka (Mr. C. K. Dhanuka) holding DIN 00005684, whose period of office will be valid till 31st December, 2014 as the Executive Chairman of the Company, for a period of five years from 1st January, 2015 till 31st December, 2019, and to the payment of his remuneration, perquisites, and benefits arising out of such re-appointment on the terms and conditions as contained in the agreement which will be entered into between the Company and Mr. C. K. Dhanuka on the expiry of the period of agreement as mentioned aforesaid, the material terms of which are set out in the Explanatory Statement to this notice.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution, including the alteration and variation in the terms and conditions of the said re-appointment and/or agreement so not to exceed the limits specified in Schedule V to the Companies Act, 2013, or any amendment thereto as may be agreed between the Board of Directors and Mr. C.K. Dhanuka.

RESOLVED FURTHER THAT in case of no profits or inadequacy of profits in any financial year minimum remuneration as specified in the aforesaid agreement shall be paid to Mr. C. K. Dhanuka."

Item No. 6 - Appointment of Mr. Pradip Kumar Khaitan as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pradip Kumar Khaitan (Mr. P. K. Khaitan) holding DIN 00004821, Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years w.e.f the date of this AGM."

Item No. 7 - Appointment of Mr. Joginder Pal Kundra as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Joginder Pal Kundra (Mr. J. P. Kundra) holding DIN 00004228, Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years w.e.f the date of this AGM."

Item No. 8 - Appointment of Dr. Basudeb Sen as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Basudeb Sen (Dr. B. Sen) holding DIN 00056861, Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years w.e.f the date of this AGM."

Item No. 9 - Appointment of Mr. Anurag Bagaria as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Anurag Bagaria (Mr. A. Bagaria) holding DIN 00111917, Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years w.e.f the date of this AGM."

Item No. 10 - Appointment of Mr. Raj Narain Bhardwaj as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Raj Narain Bhardwaj (Mr. R. N. Bhardwaj) holding DIN 01571764, Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years w.e.f the date of this AGM."

Item No. 11 - Appointment of Mr. Dharam Pal Jindal as an Independent Director

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 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Dharam Pal Jindal (Mr. D. P. Jindal) holding DIN 00405579, Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years w.e.f the date of this AGM."

Item No. 12 - Power of the Board to create security/mortgage over whole or substantially the whole of the undertaking of the Company

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Resolution passed vide postal Ballot, the results of which were declared on 16th March, 2011, pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company be and are hereby authorised to create security/mortgage over the assets of the Company both present and future, in favour of the Financial Institution(s)/Bank(s)/any other person to secure the amounts borrowed/to be borrowed together with interests thereon, commitment charges and other monies in such manner as may be agreed by the Board and the Financial Institution(s)/Bank(s)/any other person.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as they may deem fit."

Item No. 13 - To borrow money in terms of the limits specified under Section 180(1)(c) of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the Resolution passed vide postal ballot, the results of which were declared on 27th May, 2010, consent of the Company be and is hereby accorded to the Board of Directors under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), to borrow any sum or sum of moneys from time to time from any one or more of the Company's Bankers and/or from any one or more other persons, firms, bodies corporate, or financial institutions, whether by way of cash credit, advance or deposits, loans or bill discounting, issue of debentures or otherwise and whether unsecured or secured by mortgage charge, hypothecation or lien or pledge of the Company's assets and properties, whether immovable or movable or stock-in-trade (including raw materials stores, spare parts and components in stock or in transit) and work in progress and all or any of the undertakings of the Company notwithstanding that the monies to be borrowed with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose so that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time may exceed the aggregate of the paid up capital and free reserves of the Company subject to a limit of ₹1,000 crore (Rupees One thousand crore) only, exclusive of interest and the Board of Directors be and is hereby further authorized to execute such debenture trust deeds, or mortgage charges, hypothecation, lien, promissory notes, deposits and other deeds and instruments or writings containing such conditions and covenants as the Directors may think fit.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred in such manner as they may deem fit."

Item No. 14 - To ratify the remuneration of Cost Auditors for the year 2014-15

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 Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to Cost Auditors, M/s. Mani & Co., for conducting the cost audit of the cost records of the Tea Division and Petrochem Division for the year ending 31st March, 2015, as approved by the Board of Directors on the recommendation of the Audit Committee and as set out in the Explanatory Statement in respect of this item of business, be and is hereby ratified."

Regd Office: By Order of the Board

'Dhunseri House' For **Dhunseri Petrochem & Tea Ltd.**
4A, Woodburn Park,
Kolkata - 700020

K. V. Balan
Company Secretary &
Compliance Officer

Dated: 22nd May, 2014

Notes:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in relation to the Special Business of the Meeting is annexed hereto and forms part of this Notice.

2. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the AGM, forms an integral part of this Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

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.**

   In terms of Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from 1st August, 2014 to 14th August, 2014 (both days inclusive).

5. Subject to the provisions of Section 126 of the Companies Act, 2013, dividend, if any, as may be declared at the AGM will be paid on or after 14th August, 2014:

   a) To those Members whose names appear in the Register of Members of the Company as on 14th August, 2014 after giving effect to all valid Share Transfers in physical form lodged with the Company before 1st August, 2014.

   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 31st July, 2014.

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 R&T Agent and intimation of change must state the Pin Code for proper delivery.

8. Members who have not encashed their dividend warrants, if any, for the years, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 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 Companies Act, 1956, 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 2005-06 has been deposited accordingly. In accordance with section 205B of the Companies Act 1956, 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 2006-07, will fall due for deposit in September, 2014. The Company has uploaded the details of unclaimed or unpaid dividend amounts lying with the Company as on the date of last AGM (1st August, 2013) on its website.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the R&T Agent or to the Registered Office of the Company.

10. The Identity/Signature of the Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL.

    The Company has arranged to send the specimen signature cards to its Members in December, 2013 whose signatures were not updated with the R&T Agent for the updation of the said records. Members who have not sent their duly filled signature cards, whose signatures are not updated with the R&T Agent, are requested to send it to the R&T Agent or to the Registered Office of the Company.

11. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in single name and in physical form may file Nomination in the prescribed Form SH-13 with the R&T Agent. In respect of shares held in electronic form, the Nomination form may be filed with the respective Depository Participant. The Company has arranged to send the Nomination form to its Members in December, 2013 and has incorporated the details as received from the Members.

12. Members are advised that bank details as furnished by them or by NSDL/CDSL to the Company, for shares held in physical form and in the dematerialised form, respectively, will be printed on their dividend warrant(s)/Cheques as a measure of protection against fraudulent encashment where such dividend could not be remitted electronically.

13. The Annual Report of the Company for the year 2013-14 circulated to the Members of Company will also be made available on the Company's website.

14. Copies of Annual Report 2013-14 are being sent by electronic mode only to all the Members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. Members are requested to update their email address with their Depository Participant(s) or send it to the Registered Office of the Company, in case of Members holding shares in physical form, to enable us to send them correspondences via email.

15. Members 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 AGM.

16. 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.

17. Voting through electronic means

    I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 98th AGM by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

    The instructions for e-voting are as under:

    A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)]:

    (i) Open email and open PDF file viz; "DPTL e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

    (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

    (iii) Click on Shareholder – Login

    (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

    (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.

    (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

    (vii) Select "EVEN" of Dhunseri Petrochem & Tea Ltd.

    (viii) Now you are ready for e-voting as Cast Vote page opens.

    (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

    (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

    (xi) Once you have voted on the Resolution, you will not be allowed to modify your vote.

    (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to dptlscrutinizer@gmail.com or evoting@dhunseritea.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number) **USER ID**

PASSWORD/PIN

(ii) Please follow all steps from Sl.No. (ii) to Sl.No.(xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commence on 5th August, 2014 (9.00 am) and ends on 8th August, 2014 (9.00 am). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (11th July, 2014), may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 11th July, 2014.

VII. M/s K. C. Dhanuka & Co., Company Secretaries appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.dhunseritea.com and on the website of NSDL within two (2) days of passing of the Resolutions at the AGM of the Company and communicated to the BSE Limited.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5 -The tenure of Mr. C. K. Dhanuka, as the Executive Chairman of the Company is valid till 31st December 2014. Based on the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on 22nd May, 2014, has re-appointed Mr. C. K. Dhanuka as the Executive Chairman of the Company for a further period of five years commencing from 1st January, 2015 and ending on 31st December, 2019 on the following terms and conditions, subject to approval by the Members of the Company at this AGM of the Company. The remuneration payable to Mr. C. K. Dhanuka as contained in the agreement to be signed between Mr. C. K. Dhanuka and the Company is within the limits prescribed in Schedule V of the Companies Act, 2013 ("the Act"). A brief profile of Mr. C. K. Dhanuka is included as an annexure to this Notice as per the requirements of Clause 49 IV (G) (i) of the Listing Agreement with Stock Exchanges.

The terms and conditions on which Mr. C. K. Dhanuka is proposed to be re-appointed as the Executive Chairman are as under:

1. **Term:**
The term of Executive Chairman is for a period of 5 (five) years with effect from 1st January 2015.

2. **Salary:**
₹1,50,000 (Rupees One lac and Fifty Thousand only) per month in the grade of ₹1,50,000/- – 10,000/- – 1,90,000/-. The increment in the salary shall take effect from 1st January, 2016.

3. **Perquisites:**
In addition to salary, the Executive Chairman shall be entitled to the following perquisites:

(a) Housing: Rent Free Furnished Accommodation or in lieu thereof House Rent Allowance at 50% of the salary.

Where accommodation is provided by the Company, the expenditure on Gas, Electricity, Water, Furnishings and Other Utilities to be borne/reimbursed by the Company shall be evaluated as per the provisions of the Income Tax Act, 1961 and in the absence of any such provisions, the perquisites shall be evaluated at actual cost.

(b) Medical Reimbursement: The reimbursement of actual medical expenses incurred by self and family of the Executive Chairman.

(c) Leave Travel Concession: For self and family once in a year.

(d) Club Fees: Fees of clubs subject to a maximum of two clubs.

(e) Credit Cards: Entry and renewal fees to be reimbursed/ paid by Company. All expenses for official purposes to be reimbursed/paid by the Company at actuals.

(f) Leave: As per Rules of the Company applicable to Senior Executives.

(g) Personal Accident Insurance: Premium not to exceed ₹12,000/- per annum.

(h) Car: Facility of Company Car with driver.

(i) Telephone: The Company shall provide and maintain a telephone at the residence and shall also provide all mobile phone facilities. Personal long distance calls will be treated as perquisites.

4. **Commission:**
Such amount of commission based on the net profits of the Company in a particular year, as laid down in Sections 198 and 309 of the Companies Act, 1956, subject to a maximum of 2.5% of the net profits of the Company.

5. **Other Benefits:**
In addition to the perquisites, the Executive Chairman shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration specified above:

(a) **Provident Fund:** Company's Contribution towards Provident Fund at the rate of 12% of the salary or such rate prescribed as per Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

(b) **Superannuation Fund:** Company's contribution subject to a maximum of 15% of the salary for every completed year of service.

(c) **Gratuity:** As per the Payment of Gratuity Act, 1972.

(d) **Leave Encashment:** At the end of the tenure.

6. **Minimum Remuneration:**
Notwithstanding anything herein above stated where in any accounting year, the Company incurs a loss or its profits are inadequate, the Company shall continue to pay the same remuneration as stated above as minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

The Board recommends the passing of the said Resolution in the interest of the Company.

None of the Directors, Key Managerial Personnel and relatives of such persons except Mr. C. K. Dhanuka and Mr. M. Dhanuka is, in any way, concerned or interested, financial or otherwise, in the Resolution.

The draft agreement which will be entered referred to in the Resolution at Item No. 5 of the accompanying Notice will be open for inspection by the Members at the Registered Office of the Company between hours of 10 A.M and 12 Noon on any working day except Saturday.

Item No. 6 - In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. P. K. Khaitan being eligible and seeking appointment, is proposed to be appointed as an Independent Director for a term of five years w.e.f this AGM.

The Company has received from Mr. P. K. Khaitan (i) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (ii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of Members for the appointment of Mr. P. K. Khaitan as an Independent Director of the Company for a period of five years from this AGM pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. P. K. Khaitan, the Independent Director proposed to be appointed, fulfills the condition specified in the Companies Act, 2013 and the Rules made thereunder and he is Independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. P. K. Khaitan as an Independent Director.

The Board recommends the Resolution set forth in Item No. 6 for the approval of the Members.

None of the Directors, Key Managerial Personnel and relatives of such persons except Mr. P. K. Khaitan, to whom the Resolution relates, is in any way concerned or interested, financial or otherwise, in the Resolution.

Item No. 7 - In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. J. P. Kundra being eligible and seeking appointment, is proposed to be appointed as an Independent Director for a term of five years w.e.f this AGM.

The Company has received from Mr. J. P. Kundra (i) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (ii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of Members for the appointment of Mr. J. P. Kundra as an Independent Director of the Company for a period of five years from this AGM pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. J. P. Kundra, the Independent Director proposed to be appointed, fulfills the condition specified in the Companies Act, 2013 and the Rules made thereunder and he is Independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. J. P. Kundra as an Independent Director.

The Board recommends the Resolution set forth in Item No. 7 for the approval of the Members.

None of the Directors, Key Managerial Personnel and relatives of such persons except Mr. J. P. Kundra, to whom the Resolution relates, is in any way concerned or interested, financial or otherwise, in the Resolution.

Item No. 8 - In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Dr. B. Sen being eligible and seeking appointment, is proposed to be appointed as an Independent Director for a term of five years w.e.f this AGM.

The Company has received from Dr. B. Sen (i) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (ii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of Members for the appointment of Dr. B. Sen as an Independent Director of the Company for a period of five years from this AGM pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Dr. B. Sen, the Independent Director proposed to be appointed, fulfills the condition specified in the Companies Act 2013, and the Rules made thereunder and he is Independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Dr. B. Sen as an Independent Director.

The Board recommends the Resolution set forth in Item No. 8 for the approval of the Members.

None of the Directors, Key Managerial Personnel and relatives of such persons except Dr. B. Sen, to whom the Resolution relates, is in any way concerned or interested, financial or otherwise, in the Resolution.

Item No. 9 - In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. A.

Bagaria being eligible and seeking appointment, is proposed to be appointed as an Independent Director for a term of five years w.e.f this AGM.

The Company has received from Mr. A. Bagaria (i) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (ii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of Members for the appointment of Mr. A. Bagaria as an Independent Director of the Company for a period of five years from this AGM pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. A. Bagaria, the Independent Director proposed to be appointed, fulfills the condition specified in the Companies Act, 2013 and the Rules made thereunder and he is Independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. A. Bagaria as an Independent Director.

The Board recommends the Resolution set forth in Item No. 9 for the approval of the Members.

None of the Directors, Key Managerial Personnel and relatives of such persons except Mr. A. Bagaria, to whom the Resolution relates, is in any way concerned or interested, financial or otherwise, in the Resolution.

Item No. 10 - In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. R. N. Bhardwaj being eligible and seeking appointment, is proposed to be appointed as an Independent Director for a term of five years w.e.f this AGM.

The Company has received from Mr. R. N. Bhardwaj (i) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (ii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of Members for the appointment of Mr. R. N. Bhardwaj as an Independent Director of the Company for a period of five years from this AGM pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. R. N. Bhardwaj, the Independent Director proposed to be appointed, fulfills the condition specified in the Companies Act, 2013 and the Rules made thereunder and he is Independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. R. N. Bhardwaj as an Independent Director.

The Board recommends the Resolution set forth in Item No. 10 for the approval of the Members.

None of the Directors, Key Managerial Personnel and relatives of such persons except Mr. R. N. Bhardwaj, to whom the Resolution relates, is in any way concerned or interested, financial or otherwise, in the Resolution.

Item No. 11- In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. D. P. Jindal being eligible and seeking appointment, is proposed to be appointed as an Independent Director for a term of five years w.e.f this AGM.

The Company has received from Mr. D. P. Jindal (i) Intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (ii) a declaration to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Resolution seeks the approval of Members for the appointment of Mr. D. P. Jindal as an Independent Director of the Company for a period of five years from this AGM pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. D. P. Jindal, the Independent Director proposed to be appointed, fulfills the condition specified in the Companies Act, 2013 and the Rules made thereunder and he is Independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. D. P. Jindal as an Independent Director.

The Board recommends the Resolution set forth in Item No. 11 for the approval of the Members.

None of the Directors, Key Managerial Personnel and relatives of such persons except Mr. D. P. Jindal, to whom the Resolution relates, is in any way concerned or interested, financial or otherwise, in the Resolution.

Item No. 12 & 13 -

1. The Members of the Company vide Postal Ballot, the results of which were declared on 16th March, 2011, authorized the Board of Directors of the Company by way of an Ordinary Resolution under section 293 (1)(a) of the Companies Act, 1956 to create security/mortgage over the assets of the Company both present and future, in favour of the Financial Institution(s)/Bank(s)/any other person to secure the amounts borrowed/to be borrowed together with interests thereon, commitment charges and other monies in such manner as may be agreed by the Board and the Financial Institution(s)/Bank(s)/any other person.
2. The Members of the Company vide Postal Ballot, the results of which were declared on 27th May, 2010, authorized the Board of Directors of the Company under Section 293(1)(d) of the Companies Act, 1956, by way of an Ordinary Resolution to make borrowings (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹1000 Crores (Rupees One thousand Crores).

   Section 180 of the Companies Act, 2013 effective from 12th September, 2013, requires that the above powers be exercised by the Company with the consent of the Members by way of Special Resolution. Vide General Circular No. 4/2014 dated 25th March, 2014, the Ministry of Corporate Affairs has clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 is sufficient compliance of Section 180 of the Companies Act, 2013, for a period of one year from the date of notification of the said Section.

   It is, therefore, necessary for the Members to pass Special Resolution under Section 180(1)(a) and Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 12 & 13, respectively, of the Notice to comply with the provisions of the Companies Act, 2013.

   The Board recommends the Resolutions set forth at Item No. 12 & 13 for the approval of the Members.

   None of the Directors, Key Managerial Personnel and relatives of such persons is in any way concerned or interested, financial or otherwise, in the Resolution set out at Item No. 12 & 13.

Item 14 - A proposal for re-appointment of Cost Auditor for 2014-15 was recommended by the Audit Committee to the Board. It was proposed to re-appoint M/s. Mani & Co., Cost Accountants, "Ashoka", 111, Southern Avenue Kolkata-700029, as Cost Auditors for conducting the cost audit of the cost records of the Tea Division and Petrochem Division for the Financial Year 2014-15 on a remuneration of ₹1,65,000 /- and ₹2,00,000 /- respectively.

The Company has received a Certificate dated 8th May, 2014 issued by the above firm regarding their eligibility for re-appointment as Cost Auditors which will be available for inspection at the registered office of the Company between hours of 10 A.M and 12 Noon on any working day except Saturday.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this Resolution is put for the consideration of the Shareholders.

The Board recommends the Resolution set forth in Item No. 14 for the approval of the Members.

None of the Directors, Key Managerial Personnel and relatives of such persons is in any way concerned or interested, financial or otherwise, 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 re-appointed:

Mr. R. K. Sharma

Mr. R. K. Sharma born on 7th April, 1965, is a graduate in Commerce from University of Calcutta, a Chartered Accountant and a Company Secretary by qualification with a consistent and comprehensive academic track record. He has a total working experience of more than 27 years, out of which his association with the Group is for around 16 years. He has a wide experience in the field of Finance including Project Finance, Accounts, Taxation, Secretarial, Contract Negotiation, among others. He has made decisive contribution for the growth and functioning of the Company. He holds 500 shares in the Company. The Directorships and Memberships of Board Committees of Mr. R. K. Sharma as on the date are as follows:

Sl No.	Name of Company	Nature of Office
1.	Dhunseri Petrochem & Tea Ltd.	Executive Director (Finance)
2.	Egyptian Indian Polyester Co. S.A.E.	Director
3.	Kawalazi Estate Co. Ltd.	Director
4.	Dhunseri Infrastructure Ltd.	Director

Mr. R. K. Sharma, Executive Director (Finance) is not related to any other director of the Company as per Section 2(77) of the Companies Act, 2013.

Mr. C. K. Dhanuka

Mr. C. K. Dhanuka, born on 19th January, 1954, is a graduate in Commerce and has over 37 years of experience in the industry. An industrialist by occupation, he is the Ex-Chairman of FICCI (Eastern Regional Council) and is also a member of the National Committee of FICCI. Mr. C. K. Dhanuka was the Ex-Chairman of the Indian Tea Association and the Ex-Vice Chairman of the Tea Board. Providing industry wide leadership and management strategy may be deemed as his areas of expertise. He was also the Ex-President of the All India Organization of Employers. He holds 45,520 shares in the Company. The Directorships and Memberships of Board Committees of Mr. C. K. Dhanuka as on the date are as follows:

Sl No.	Name of Company	Nature of Office
1.	Dhunseri Petrochem & Tea Ltd.	Executive Chairman Member - Audit Committee Member - Stakeholders Relationship Committee
2.	Plenty Valley Intra Ltd.	Chairman
3.	Mint Investments Ltd.	Chairman
4.	Naga Dhunseri Group Ltd.	Chairman
5.	Dhunseri Investments Ltd.	Chairman
6.	Trimplex Investments Ltd.	Chairman
7.	Jatayu Estate Pvt. Ltd.	Chairman
8.	ABC Tea Workers Welfare Services	Chairman
9.	Madhuting Tea Pvt. Ltd.	Chairman
10.	Warren Tea Ltd.	Chairman Member - Audit Committee Chairman - Shareholders Relations & Grievance Committee
11.	CESC Ltd.	Director Chairman - Audit Committee
12.	Egyptian Indian Polyester Co. S.A.E.	Director

Sl No.	Name of Company	Nature of Office
13.	Dhunseri Petrochem & Tea Pte Ltd.	Director
14.	Makandi Tea & Coffee Estates Ltd.	Director
15.	Kawalazi Estate Co. Ltd.	Director
16.	Dhunseri Tea & Industries Ltd.	Chairman
17.	Dhunseri Infrastructure Ltd.	Chairman

Mr. C. K. Dhanuka, Executive Chairman is related to Mr. M. Dhanuka, Vice Chairman & Managing Director as per Section 2(77) of the Companies Act, 2013. Mr. C. K. Dhanuka is the father of Mr. M. Dhanuka.

Mr. P. K. Khaitan

Mr. P. K. Khaitan, born on 25th March, 1941 is an L.L.B Attorney-at-Law (Bell Chambers Gold Medalist), and is currently the partner of Messrs Khaitan & Co, Advocates. He specializes in the areas of commercial, corporate and tax law, in addition to arbitration, joint ventures, merger & acquisition, restructuring and de-mergers. He is the 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.	Pilani Investment & Industries Corporation Ltd.	Director Member - Audit Committee
13.	Woodlands Multispeciality Hospital Ltd.	Director
14.	Emami Ltd.	Director
15.	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 2(77) of the Companies Act, 2013.

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 seven 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 - Stakeholders Relationship 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 2(77) of the Companies Act, 2013.

Dr. B. Sen

Dr. B. Sen, born on 16th June, 1948, holds a Masters degree in Economics and is a PhD from the Indian Statistical Institute. He has an over three-decade executive experience in commercial and development banking and investment management organizations, 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 Ltd. and Assistant Economist, United Bank of India. He has served on the Board of 25 Companies over the last three decades. 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 - Stakeholders Relationship Committee
2.	Mahanagar Gas Ltd.	Director Chairman - Audit Committee
3.	Sumedha Fiscal Services Ltd.	Director
4.	Al Champdany Industries Ltd.	Director

Dr. B. Sen, Director is not related to any other director of the Company as per Section 2(77) of the Companies Act, 2013.

Mr. A. Bagaria

Mr. A. Bagaria was born on 2nd November, 1976. He is qualified as a Chemical Engineer and is an MBA. He has more than 15 years of experience in various companies. He holds NIL shares in the Company. The Directorships and Memberships of Board Committees of Mr. A. Bagaria as on the date are as follows:

Sl No.	Name of Company	Nature of Office
1.	Dhunseri Petrochem & Tea Ltd.	Director Audit Committee - Member
2.	Bioworth India Pvt. Ltd.	Director
3.	Hemogenomics Pvt. Ltd.	Director
4.	Cirrus Pharmaceuticals Inc.	Director
5.	Kemwell AB, Sweden	Director
6.	Kemwell Biopharma Pvt. Ltd.	Managing Director
7.	Kemwell Biopharma Inc. USA	Director
8.	Kemwell Infrastructure Pvt. Ltd.	Director
9.	Kemwell Pvt. Ltd	Managing Director
10.	Kemfin Holdings Pvt. Ltd.	Director
11.	Neelammegha Investments & Trading Co. Pvt. Ltd.	Director
12.	Northeast Gases Pvt. Ltd.	Director
13.	Prescient Biosciences Pvt. Ltd.	Director
14.	ReaMetrix India Pvt.Ltd	Director
15.	Rubtech Exports Pvt. Ltd.	Director
16.	Shadow Box Realty Pvt. Ltd.	Director
17.	Yuv Realtors Pvt. Ltd.	Director

Mr. A. Bagaria, Director is not related to any other director of the Company as per Section 2(77) of the Companies Act, 2013.

Mr. R. N. Bhardwaj

Mr. R. N. Bhardwaj was born on 8th May, 1945. He is B.A. (Hons) from University of Delhi and M.A. (Economics) from Delhi School of Economics, University of Delhi. He was the Member of the Securities Appellate Tribunal, under the Ministry of Finance, Dept. of Company Affairs from June 2005 to May 2007. He has served Life Insurance Corporation of India since 1968 to 2005 at various levels and different departments including finance, HR, interpersonal relations, marketing, public relations and publicity, planning & strategy and rose from an Officer to Executive Director and then to Managing Director and Chairman at LIC. He headed the LIC as Managing Director and Chairman from December 2002 to May 2005 till his retirement. As a Special Assignment he was nominated as the Member of Committee appointed by the Govt. of India in 2001 to study Investment Management in Europe and USA. He holds NIL shares in the Company. The Directorships and Memberships of Board Committees of Mr. R. N. Bhardwaj as on the date are as follows:

Sl No.	Name of Company	Nature of Office
1.	Dhunseri Petrochem & Tea Ltd.	Director
2.	Reliance Communications Ltd.	Director Member - Audit Committee Member - Shareholders/Investors' Grievance Committee
3.	Jaiprakash Associates Ltd.	Director Chairman - Audit Committee
4.	Jaypee Infratech Ltd.	Director
5.	Invent Assets Securitization & Reconstruction Pvt. Ltd.	Director
6.	Reliance Infratel Ltd.	Director Member - Audit Committee

Sl No.	Name of Company	Nature of Office
7.	Microsec Financial Services Ltd.	Director Member - Audit Committee Chairman - Shareholders/Investors' Grievance Committee
8.	Jaiprakash Power Ventures Ltd.	Director Member - Audit Committee
9.	Milestone Capital Advisors Ltd.	Director Member - Audit Committee
10.	SBI Life Insurance Company Ltd.	Director Member - Audit Committee
11.	Rupa and Company Ltd.	Director Member - Audit Committee
12.	Amtek Auto Ltd.	Director
13.	Samvridhi Advisors Pvt. Ltd.	Director
14.	IL&FS Milestone Realty Advisors Pvt. Ltd.	Director
15.	Singhi Advisors Private Ltd.	Director
16.	Religare Invesco Trustee Company Pvt. Ltd.	Director
17.	Quadria Investment Management Pvt. Ltd.	Director
18.	Landmark Capital Advisors Pvt. Ltd.	Director

Mr. A. Bagaria, Director is not related to any other director of the Company as per Section 2(77) of the Companies Act, 2013.

Mr. D. P Jindal

Mr. D. P. Jindal was born on 15th February, 1950. He is a graduate from St. Xavier's College and has contributed substantially to the industrial growth of the country with major ascent catering to the requirements of the oil sector and core sector industry. He is presently the Chairman of Jindal Pipes Limited, Maharashtra Seamless Limited, Jindal Drilling & Industries Limited and other allied Companies. He was Ex-President of Federation of Engineering Industries of India and Ex-Chairman of International Tube Association, India Chapter. For his outstanding services, achievements and contributions, he was awarded the "National Unity Award 1994". He holds NIL shares in the Company. The Directorships and Memberships of Board Committees of Mr. D. P. Jindal as on the date are as follows:

Sl No.	Name of Company	Nature of Office
1.	Dhunseri Petrochem & Tea Ltd.	Director
2.	Jindal Drilling & Industries Limited	Executive Chairman Member - Audit Committee
3.	Maharashtra Seamless Limited	Director Member - Audit Committee
4.	Jindal Pipes Limited	Director
5.	Jindal Global Finance & Investment Limited	Director
6.	Crishpark Vincom Ltd.	Director
7.	Warren Tea Limited	Director
8.	Jindal Aluminium Ltd.	Director

Mr. D. P. Jindal, Director is not related to any other Director of the Company as per Section 2(77) of the Companies Act, 2013.

Note:

1. Membership/Chairmanship of Committees of other Companies includes only Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies.

98th Annual General Meeting
Thursday, August 14, 2014, at 10.30 a.m.

DHUNSERI PETROCHEM & TEA LIMITED

ATTENDANCE SLIP

CIN No. L15492WB1916PLC002697
Registered Office : Dhunseri House, 4A, Woodburn Park, Kolkata - 700020
Phone: +91 33 22836128-33, Fax: +91 33 22836056, 22834216, 22801956, Email: aspet@cal2.vsnl.net.in, Website: www.dhunseritea.com

I/We hereby record my/our presence at the 98th Annual General Meeting of the Company held on Thursday, August 14, 2014, at 10.30 a.m. at Kala Kunj, Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata 700 017.

....

Name of Proxy (in BLOCK LETTERS) Signature of Shareholder / Proxy Present

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event No.)	User ID	Password

Please refer to the AGM Notice for e-voting instructions.

98th Annual General Meeting
Thursday, August 14, 2014, at 10.30 a.m.

DHUNSERI PETROCHEM & TEA LIMITED

PROXY FORM

CIN No. L15492WB1916PLC002697
Registered Office : Dhunseri House, 4A, Woodburn Park, Kolkata - 700020
Phone: 91 33 22836128-33, Fax: +91 33 22836056, 22834216, 22801956, Email: aspet@cal2.vsnl.net.in, Website: www.dhunseritea.com

I/We, being the member(s), holding.. shares of Dhunseri Petrochem & Tea Limited hereby appoint :

(1) Name .... Address ....

E-mail id .... Signature .... or failing him/her

(2) Name .... Address ....

E-mail id .... Signature .... or failing him/her,

(3) Name .... Address ....

E-mail id .... Signature ....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 98th Annual General Meeting of the Company held on Thursday, August 14, 2014, at 10.30 a.m. at Kala Kunj, Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Kolkata 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Optional*	
		For	Against
1.	Adoption of Financial Statements		
2.	Declaration of dividend on Equity Shares		
3.	Re-appointment of Mr. R. K. Sharma who retires by rotation		
4.	Appointment of Statutory Auditors and fixing of their remuneration		
5.	Re-appointment of Mr. Chandra Kumar Dhanuka as the Executive Chairman		
6.	Appointment of Mr. Pradip Kumar Khaitan as an Independent Director		
7.	Appointment of Mr. Joginder Pal Kundra as an Independent Director		
8.	Appointment of Dr. Basudeb Sen as an Independent Director		
9.	Appointment of Mr. Anurag Bagaria as an Independent Director		
10.	Appointment of Mr. Raj Narain Bhardwaj as an Independent Director		
11.	Appointment of Mr. Dharam Pal Jindal as an Independent Director		
12.	Authority to the Board of Directors to create security/mortgage u/s 180 (1)(a) of the Companies Act, 2013		
13.	Authority for borrowing money in terms of the limits specified u/s 180(1)(c) of the Companies Act, 2013		
14.	Ratification of the remuneration of Cost Auditors for the year 2014-15		

Signed this .... day of 2014

Member's Folio/ DP ID-Client ID No .... Signature of Shareholder (s) ....

Signature of Proxy holder(s) ....

Affix
Revenue
Stamp

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 98th Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

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	31^{st} March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	Signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	For Dhunseri Petrochem & Tea Limited Biswanath Chattopadhyay *Managing Director & CEO* For Dhunseri Petrochem & Tea Limited Vivek Goel *Chief Financial Officer* For Lovelock & Lewes Firm Registration Number: 301056E Chartered Accountants PRADIP P.Law Partner Membership No. 51790 For Dhunseri Petrochem & Tea Limited J.P.Kundra *Audit Committee Chairman*