

INFORMATION MEMORANDUM



DHUNSERI TEA & INDUSTRIES LIMITED

(Incorporated in the name of Dhunseri Services Limited as Public Limited Company on October 7, 1997, under the Companies Act, 1956, with the Registrar of Companies, West Bengal. The registration no. assigned to our Company is U15500WB1997PLC085661.

Registered Office: Dhunseri House 4A, Woodburn Park, Kolkata - 700 020 (West Bengal)

Tel: +91-33- 2280 1950 (five lines), Fax: +91-33 – 2287 8350

Email: mail@dhunseritea.com **Website:** www.dhunseritea.com

Contact Person: Mr. R Mahadevan, Company Secretary

INFORMATION MEMORANDUM FOR LISTING OF 70,04,951 EQUITY SHARES OF ₹ 10/- EACH

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Dhunseri Tea & Industries Limited unless they can afford to take the risk of losing part or all of their investment. Investors are advised to read the Risk Factors on page 7 of this Information Memorandum carefully before taking an investment decision in the shares of Dhunseri Tea & Industries Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ISSUER'S ABSOLUTE RESPONSIBILITY

Dhunseri Tea & Industries Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Dhunseri Tea & Industries Limited, which is material in the context of the issue of shares pursuant to the scheme, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of Dhunseri Tea & Industries Limited are proposed to be listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). NSE has been appointed as the designated stock exchange.

REGISTRAR AND TRANSFER AGENT

MAHESHWARI DATAMATICS PRIVATE LIMITED

6, Mangoe Lane, 2nd Floor

Kolkata – 700 001

Phone No: (033) 2243-5809/5029

Fax: (033) 2248-4787

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I. GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

Term	Description
DTIL or “Company” or “ Our Company” or “we” or “us” or “Our”	Dhunseri Tea & Industries Limited, a Public Limited Company having its registered office at Dhunseri House, 4A, Woodburn Park, Kolkata- 700 020 (West Bengal)
DPL/DPTL	Dhunseri Petrochem Limited (formerly known as Dhunseri Petrochem & Tea Limited), a Public Limited Company having its registered office at Dhunseri House, 4A, Woodburn Park, Kolkata- 700 020 (West Bengal)

Conventional and General Terms

Term	Description
Act / Companies Act	The Companies Act, 2013 and/or such other provisions of the Companies Act, 1956, to the extent not repealed and as may be applicable, and amendments thereto
Articles / Articles of Association	Articles of Association of the Company
Appointed Date	April 1, 2014
Auditors	The Statutory Auditors of DTIL
Board of Directors / Board	Board of Directors of the Company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Designated Stock Exchange	The designated stock exchange shall be NSE
Equity Share(s) or Share(s)	Equity Share of the Company having a face value of ₹10/- unless otherwise specified in the context thereof
HUF	Hindu Undivided Family
Information Memorandum	This document filed with the Stock Exchanges is known as and referred to as the Information Memorandum.
I. T. Act	The Income Tax Act, 1961, as amended from time to time, except as stated otherwise
Memorandum/ Memorandum of Association	Memorandum of Association of the Company
NSDL	National Securities Depository Ltd.
NSE	National Stock Exchange of India Limited
Promoter	Mr. Chandra Kumar Dhanuka
Record date	September 19, 2014
Registrar and Transfer Agents	Maheshwari Datamatics Private Limited
Scheme of Arrangement or “The Scheme”	Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between Dhunseri Petrochem Limited (formerly known as Dhunseri Petrochem & Tea Limited) and Dhunseri Tea & Industries Limited (formerly known as Dhunseri Services Limited) and their respective shareholders for demerger of Tea division of DPL to Dhunseri Tea & Industries Limited
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time

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Term	Description
SICA	Sick Industrial Companies (Special Provisions) Act, 1995.
Stock Exchanges	Shall refer to the NSE and BSE where equity shares of the DTIL are proposed to be listed.

Industry Related Terms

Term	Description
CTC Tea	Crush, Tear, and Curl or Cut, Twist, Curl Tea

CERTAIN CONVENTIONS, USE OF MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements prepared in accordance with Indian GAAP. Our last financial year commenced on April 1, 2013 and ended on March 31, 2014. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

All references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “₹” are to Indian Rupees, the official currency of the Republic of India.

For additional definitions, please see the section titled “Definitions, Abbreviations and Industry Related Terms” of this Information Memorandum.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified.

The information included in this Information Memorandum about various other Companies is based on their respective Annual Reports and information made available by the respective companies.

FORWARD LOOKING STATEMENTS

We have included statements in this Information Memorandum, that contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations in India;
- Changes in political conditions in India; and
- Changes in the foreign exchange control regulations in India.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” on page 7 of this Information Memorandum. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under” “Industry” and “Business”.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

II. RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

INTERNAL RISK

1. Our Company has no operating history, so it is difficult to estimate our future performance

Pursuant to the Scheme, the activities and operations of Tea Division of DPL have been transferred to our Company. Although the employees are being transferred along with the businesses, our Company has no prior experience in operating Tea business. Our Company currently has no significant operating history from which our business, future prospects and viability can be evaluated. Any inability of our Company to effectively undertake Tea business could adversely affect our business prospects, financial condition and results of operation. Moreover, our Company's prospects and viability should not be evaluated based on the performance of DPL. As a result, we cannot assure that our future performance or business strategy will be successful.

2. If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.

We are required to obtain and maintain certain approvals, licenses, registrations and permits in connection with our business and operations. There can be no assurance that we will be able to obtain and maintain such approvals, licenses, registrations and permits in the future. An inability to obtain or maintain such registrations and licenses in a timely manner, or at all, and comply with the prescribed conditions in connection therewith may adversely affect our ability to carry on our business and operations, and consequently our results of operations and financial condition.

3. Our operations are sensitive to weather conditions.

Our business activities could be materially and adversely affected by severe weather. Severe weather conditions such as lack of sufficient rainfall, rising in temperature, etc. may cause damage to a full and/or portion of our plantation. Tea, being an agricultural commodity, is susceptible to the agro climatic risks, such as, drought, insufficient rainfall or occurrence of floods and as a result of which production of our products may reduce and this may adversely affect our sales and profitability. Therefore, the occurrence of any of these risks could significantly affect our results of operations.

4. All our Tea estates are geographically located in one area. Any loss at that area may have an adverse effect on our business

All our Tea estates are based in Assam. As a result, if there is any localized social unrest, natural disaster or breakdown of services and utilities in Assam, it may affect our business adversely. Further, our business are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, discontinued availability of services of our external contractors, earthquakes and other natural disasters, industrial accidents etc. The occurrence of any of these risks could significantly affect our results of operations.

5. Our Company does not have long-term agreements with any of our customers for purchasing its products and is subject to uncertainties in demand which could decrease sales and negatively affect its operating results.

Though our Company has been dealing with some of our customers for several years, we do not have any long-term agreements with its majority of our customers. As a result, our customers can terminate their relationships with us due to a change in vendor preference or any other reason upon relatively short notice, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel,

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reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as quality of our teas, fluctuation in demand for our teas, customer's inventory management, amongst others.

Although, we have a strong emphasis on quality, timely delivery of our products, personal interaction by the top management with the customers, any change in the buying pattern of buyers can adversely affect the business of our Company. Further, in absence of such contracts there will always be uncertainty.

6. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.

Our operations are dependent on our ability to effectively manage our inventory and timely delivery to our customer. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of merchandise or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory, which would have an adverse impact on our income and cash flows.

7. We may be held liable for claims of or from customers on account of any defects in the products supplied to our customers including penalty for delay in implementation of purchase orders.

We may be exposed to claims for defects in the tea supplied under certain customers' purchase orders. The quality control procedures may fail to test for all possible conditions of use or identify all defects in the quality and specifications of the tea. Any such defects could require us to undertake product recalls. These actions could require our Company to expend considerable resources in correcting these problems and could adversely affect demand for the tea. Any defect in our Company's products could also result in customer claims for damages. Further, we do not have any defect liability insurance on the products to mitigate the said risk. As a result, our Company may face and be liable for warranty claims for components by it. In defending such claims, our Company could incur substantial costs and receive adverse publicity which may adversely affect our financial conditions and results of operation.

8. Under-utilisation of capacity may adversely affect our business, results of operations and financial condition.

Use of production capacity is subject to several variables like weather conditions, cultivation of tea and production, power, water, proper working of machinery, orders on hand, etc. It cannot be assured that we shall be able to utilize our existing manufacturing facilities to their full capacity or up to an optimum capacity, and non-utilisation of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition.

9. If the Company is unable to adapt to technological changes, the Company's business could suffer.

Our Company has implemented the latest technology for our Plant. Our Company's future success will depend in part on the company's ability to respond to technological advances and emerging industry standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails technical and business risks. Our Company cannot assure that it will successfully implement new technologies effectively or adapt the systems to emerging industry standards. If our Company is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our Company's business, financial performance and the trading price could be adversely affected.

10. We are dependent on third party transportation providers for the delivery of our products and any failure on part of such providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operations.

As a manufacturer, our success depends on the smooth supply and transportation of our products from our tea estate to our customers, which is subject to various uncertainties and risks. We use third party transportation providers for the delivery of our products to domestic and overseas customers. Transportation strikes have had in the past, and could happen again in the future. Such strikes may have an adverse affect on supplies and deliveries to our customers and from suppliers on a timely and cost efficient basis.

Further an increase in freight costs or the unavailability of adequate infrastructure for transportation of our products to our markets may have an adverse affect on our business and results of operations. Failure to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

11. Our Company has entered into related party transactions with the promoters and/or Directors and the Group Companies.

The company has entered into transactions with the related group companies. Whilst the Company believes that all such transactions have been conducted on an “arm’s length basis”, there can be no assurance that the Company could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that the Company may enter into related party transactions in the future. There can be no assurance that such transactions individually or in the aggregate, will not have an adverse effect on the Company’s business and results of operations.

12. Our success is dependent on our distribution and marketing arrangements, for the sale and distribution of our products and on our relationship with our customers. If any of these arrangements is terminated for any reason, our business, financial condition and results of operations may be adversely affected.

Our direct sales & marketing of our tea product is dependent on interpersonal marketing skills of the marketing team. There are no visual or print media to attract clients and customers to increase sales. Since such marketing is purely dependent on relationships with our clients, any change in the human resources of the marketing team can adversely affect profitability of the company.

Our Indirect Sales and Marketing are through third party tea companies who are called tea auctioneers who are responsible to store teas, evaluate them and sell our products auctioning on our behalf. Since this operation are dependent on third party service, it cannot be assured that we will be able to generate the same quantum of business or any business at all from these tea auction companies and it may adversely affect the revenue and profitability.

13. Our business is subject to a variety of safety, health and environmental laws and various labours, workplace related laws and regulations. Any failure on our part to comply with these applicable laws and regulations could have an adverse effect on our operations and consolidated financial condition.

Our operations are subject to numerous safety, health and environmental protection laws and various labour, workplace related laws and regulations, which are complex and stringent and may increase our compliance costs. Such regulations may restrict our operations and adversely affect our financial condition, results of operations and cash flows by imposing conditions such as limitations on sitting and constructing new waste disposal, transfer or processing facilities or expanding existing facilities, limitations, regulations or levies on collection and disposal, prices, rates and volumes, limitations or bans on disposal or transportation of certain categories of waste. Significant fines and penalties may be imposed for non-compliance with the safety, health and environmental laws and regulations, and some of these laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage without regard to negligence or fault on the part of such person.

We are also subject to stringent labour laws. Such laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our own acts including those which were in compliance with all applicable laws at the time such acts were performed. For example, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be held responsible for any wage payments to be made to contract labourers hired by our sub-contractors in the event of default by such sub-contractors and we may also be required to absorb a portion of such contract labourers as permanent employees under certain circumstances. Penalties for failure to comply with these laws, rules and regulations, many of which may be applied retroactively, may include:

- administrative, civil and criminal penalties;
- revocation of permits;
- corrective action orders; and
- breach of certain existing contracts with clients.

The regulatory framework in India is evolving. Future government policies and changes in laws and regulations in India may adversely affect our business and operations, and restrict our ability to do business in our existing and target markets. The timing and content of any new law or regulation is not in our control and such new law or regulation could have an adverse effect on our business, results of operations and financial condition.

14. We may not be able to sustain effective implementation of our business and growth strategy, including our expansion plans and the financing of such expansion, which may adversely affect our business and results of operations.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. There can be no assurance that we will be able to execute our strategy within the estimated budget, or that we will meet the expectations of targeted customers. Our inability to manage our business and growth strategy may have a material adverse effect on our business, financial condition and results of operations.

15. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and lender consents and there can be no assurance that we will be able to pay dividends in the future.

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

16. Our Company is dependent on its management and any inability on their part to contribute to the business may affect its performance.

The success of our Company is dependent on the experience of its management. All the expansion strategies and their implementation have been envisaged by and will be executed by the management with the assistance of our Key Managerial Personnel. Any failure of the management to successfully implement and contribute to the Company's business would result in our Company not meeting its expansion plans and strategies. Further, if the management is not able to manage the operations of our Company in an efficient and effective manner, it will affect the profitability of our Company.

17. Conflicts of interest may arise out of common business objects shared by our Company and certain of our Group Entities.

Our Promoters have interests in Madhuting Tea Private Limited that may compete with us, having business operations that are similar to ours. Our Promoters are Directors on the Board of the said company as well. The said company is engaged in the bulk tea sale whereas our company is engaged in packet tea sale. However, there is no requirement or undertaking for our Promoters, Promoter Group or Group Entities or such similar entities to conduct or direct any opportunities in the tea business only to or through us. As a result, conflict of interests may arise in allocating or addressing business opportunities and strategies amongst our Company and our Group Entities in circumstances where our interests differ from theirs. In cases of conflict, our Promoters may favor other Companies in which our Promoters have an interest. There can be no assurance that such Group Companies will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. As a result, a conflict of interest may occur between our business and the businesses of our Group Companies which could have an adverse effect on our business, financial condition, results of operations and prospects.

18. We rely extensively on our systems, including quality assurance, products processing and information technology, the failure of which could adversely affect our business, financial condition and results of operations.

We depend extensively on the capacity and reliability of the quality assurance, product processing and information technology systems supporting our operations. There can be no assurance that we will not encounter disruptions in the future. Our systems are also subject to damage or incapacitation by natural disasters, human error, power loss,

sabotage, computer viruses, hacking, acts of terrorism and similar events or the loss of support services from third parties. Any disruption in the use of, or damage to, our systems may adversely affect our business, financial condition and results of operations.

19. We have significant working capital requirements.

Our business involves significant working capital. We meet our working capital requirements through internal accruals and debt. Any shortfall in our internal accruals and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations.

A. External Risk Factors

1. Failure to comply with environmental laws, rules and regulations may adversely affect our business operations.

A failure on our part to adequately comply with applicable environmental laws, rules and regulations, could hamper or adversely impact the operations of our Company, and consequently, could adversely affect the Company and its cash flows and profitability.

2. Changes in Government Policies and political situation in India could adversely affect our business operations.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant.

Although the Central government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our securities could change as well.

3. Terrorist attacks and other acts of violence or war involving India, and other countries could adversely affect the financial markets, result in a loss of business confidence and adversely affect the business, results of operations and financial condition.

Terrorist attacks and other acts of violence or war may negatively affect the Indian stock markets and also adversely affect the global financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect the business, results of operations and financial condition.

4. Sensitivity to the economy and extraneous factors

The Company's performance is highly correlated to the performance of the economy and the financial markets. The health of the economy and the financial markets in turn depends on the domestic economic growth, state of the global economy and business and consumer confidence, among other factors. Any event disturbing the dynamic balance of these diverse factors would directly or indirectly affect the performance of the Company.

5. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of our

Equity Shares could be adversely affected.

6. Changes in taxation policies could adversely affect our business operations & results of operations.

Statutory taxes and other levies may affect our margin in the event of our inability to factor such expense in our trading margin. Any increase in taxes and/ or levies, or the imposition of new taxes and/ or levies in the future, may have a material adverse impact on our business, results of operations and financial condition.

7. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

8. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and could materially affect our future financial performance and the trading price of our equity shares.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

III. SUMMARY

GENERAL INFORMATION

Our Company was incorporated on October 7, 1997 under the Companies Act, 1956 as a public limited company under the name and style of Dhunseri Services Limited. The certificate of commencement of business was issued to the Company on November 18, 1997. The name of the Company has been changed to Dhunseri Tea & Industries Limited and the fresh Certificate of Incorporation dated February 5, 2014 consequent upon the change of name was issued by the Registrar of Companies, West Bengal.

Registered & Corporate Office:

Dhunseri Tea & Industries Limited

Dhunseri House 4A, Woodburn Park
Kolkata- 700 020 (West Bengal)
Tel: +91-33- 2280 1950 (Five Lines)
Fax: +91-33 – 2287 8350/9274
Email: mail@dhunseritea.com
Website: www.dhunseritea.com

Corporate Identification Number: U15500WB1997PLC085661

Address of the Registrar of Companies:

Nizam Palace, II MSO Building, 3rd Floor,
234/4 A.J.C. Bose Road,
Kolkata-700020

Board of Directors:

The Board of Directors as on the date of filing of the Information Memorandum

Name	Designation
Mr. Chandra Kumar Dhanuka	Managing Director & CEO
Mr. Mrigank Dhanuka	Non-Executive Non- Independent Director - Appointed in casual vacancy
Mr. Bharat Bajoria	Independent Director
Mr. Basudeo Beriwal	Independent Director - Appointed in casual vacancy
Mr. Ashok Kumar Lohia	Independent Director
Mr. Rajiv Kumar Sharma	Non-Executive Non- Independent Director - Appointed in casual vacancy
Ms. Nandini Khaitan	Independent Director

Authority of Listing

The Hon'ble High Court at Calcutta, vide its order dated August 7, 2014, has approved the Scheme of Arrangement inter-alia providing for the demerger of Tea Division, including all assets and liabilities, of Dhunseri Petrochem & Tea Limited (hereinafter referred to as "DPTL") to Dhunseri Tea & Industries Limited. For more details relating to the scheme of arrangement please refer to the Section titled "**Scheme of Arrangement**" on page 41 In accordance with the Scheme for demerger, business and interests of DPTL in manufacturing of Tea and comprising ten (10) Tea Estates and nine (9) tea factories in the State of Assam with a facility for tea blending and packaging in Jaipur, Rajasthan and also two Tea Estates with factories in Malawi (Africa), and shall mean and include all property, rights and powers and all debts, liabilities, duties and obligations of DPTL pertaining to the Tea Division stands transferred to and vested with

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DTIL, w.e.f. April 1, 2014 (the appointed date under the Scheme) pursuant to Section 391 to 394 of the Companies Act, 1956. In accordance with the said scheme, the Equity shares of the Company issued pursuant to the Scheme shall be listed and admitted to trading on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Such listing and admission for trading is not automatic and will be subject to fulfilment by the Company of listing criteria of NSE and BSE for such issues and also subject to such other terms and conditions as may be prescribed by NSE and BSE at the time of the application by the Company seeking listing.

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations 2009 are not applicable. However, SEBI vide its Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, has, subject to certain conditions, permitted an unlisted company to seek relaxation from the strict enforcement of clause (b) to sub-rule (2) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957 under sub-rule (7) of Rule 19 of the said Rules. The Company has submitted the Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to NSE and BSE for making the said Information Memorandum available to public through their websites viz. www.nseindia.com and www.bseindia.com. The Company has made the said information memorandum available on its website viz www.dhunseritea.com. The Company will publish an advertisement in the news papers containing all details in line with the requirements as per the above mentioned circulars. The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

Prohibition by SEBI

The Company, its Directors, its promoters, other Companies promoted by the promoters and companies with which the Company's Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

General Disclaimer from the Company

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

AUDITORS

Lovelock & Lewes

Chartered Accountants

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Email: pradip.law@in.pwc.com

Contact Person: Mr. Pradip Law (Partner)

Membership no: 51790

Firm Registration Number: 301056E

BANKERS TO THE COMPANY

United Bank of India

4, N.C. Dutta Sarani,
Kolkata - 700 001

Bank of Baroda

3B, Camac Street,
Kolkata - 700 016

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State Bank of India

34, Jawahar Lal Nehru Road,
Reliance House, 2nd Floor,
Kolkata - 700 071

Punjab National Bank

1, R.N. Mukherjee Road,
Kolkata - 700 001

DCB Bank Limited

39, Shakespeare Sarani
"Premlata Building"
Kolkata-700017

COMPLIANCE OFFICER

Mr. R Mahadevan

Dhunseri Tea & Industries Limited

Dhunseri House 4A, Woodburn Park
Kolkata - 700 020 (West Bengal)
Tel: +91-33- 2280 1950 (six lines)
Fax: +91-33 – 2287 8350
Email: mail@dhunseritea.com

REGISTRAR & TRANSFER AGENTS

Maheshwari Datamatics Private Limited

6, Mangoe Lane, 2nd Floor,
Kolkata – 700 001
Phone No: +91-33-2243-5809/5029
Fax: +91-33-2248-4787
E-mail: mdpl@cal.vsnl.net.in
Website: www.mdpl.in
Contact Person: Mr. S. Rajagopal

INDUSTRY OVERVIEW

The information in this section is derived from various publicly available sources, government publications and other industry sources. This information has not been independently verified by us, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

INDUSTRY OVERVIEW

TEA INDUSTRY

Overview

Indian Tea Industry is about 172 years old. The industry occupies an important place and plays a very useful part in the national economy. In 1823 Robert Bruce invented tea plants growing wild in upper Brahmaputra Valley.

The first Indian tea from Assam was sent to United Kingdom for Public Sale. Then later, it extended to other parts of country between 50's and 60's of the last century.

Today, Tea is the most popular beverage in the world. And it's getting more popular. According to figures from the International Tea Committee, the global consumption of tea jumped 60% between 1993 and 2010, and significant growth is forecasted as producer countries become consumers.

Today, the economic and social importance of tea production is so significant. Currently grown in 35 countries, the tea industry provides a vital source of employment and export earnings, often in the world's poorest countries.

And a vast chain or network of people have a relationship with tea – not just consumers, but growers, pickers, traders and sellers – impacting on the lives and well-being of millions of people across the world.

The Tea Industry in India derives its importance by being one of the major foreign exchange earner and for playing a vital role towards employment generation as the industry is highly labour intensive. India is the second largest producer of tea in the world and contributes to around 25% of the global tea production. The market size of tea is estimated to be approx. ₹10,000 Crore with a penetration of 75% - 80% in the domestic market. With an export of approx. 210 million kg of tea, India stands as the fourth largest exporter of tea in the world with China ranking at the first position. The tea sector in the country is largely organized since 72% of the total area under tea cultivation and 74% of the total production comes from the organized sector.

Tea in India is grown over an area of 600,000 hectare (ha) which accounts for 16% of the total area under tea cultivation in the world. The Indian tea industry is having thousands of tea gardens spread across various states of India. Tea plantations are mainly located in rural hills and backward areas of North Eastern and Southern states. The major tea growing areas in India are concentrated in Assam, West Bengal, Tamilnadu and Kerala. The other areas growing tea to the extent is Karnataka, Tripura, Himachal Pradesh, Utranchal, Arunachal Pradesh, Manipur, Sikkim, Nagaland, Meghalaya, Mizoram and Bihar. 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. Assam produces over half of India's tea and accounts for over 12% of the annual global tea yield. In India, Tea is a foreign exchange earner and a major contributor to the country's GNP.

India has emerged as world leader in all aspects of tea production, consumption and export mainly because it accounts for 31% of global production. For last 150 years perhaps the Tea Industry is the only one where India has retained its leadership. The range of tea offered by India - from the original Orthodox to CTC and Green Tea, from the aroma and flavour of Darjeeling Tea to the strong Assam and Nilgiri Tea- remains unparalleled in the world.

Market Segmentation

In India the Tea trading is done in two ways in the domestic market by way of Auction and Private Selling. Indian tea market is huge with large number of local and regional players. With the passage of time and change in the consumption pattern, there has been diversification and value addition in tea production. In India, tea is consumed in two forms: packaged (branded) or loose. While a major share of the market is of loose tea suppliers, branded tea manufacturers are also fast increasing their market share. The demand for packet tea is driven by rising consumer incomes, quality of tea and product diversification with flavoured tea production.

The best quality Tea is CTC (cut, twist and curl) and Orthodox Assam Tea and the consumption is above 600 Million kgs per year. The market consists of both Leaf and Dust Teas both in the CTC and Orthodox Grades. The share of CTC tea constitutes 80% of the tea market followed by Orthodox Tea & Darjeeling Tea. Apart from them there are also a variety of flavoured teas such as green tea, earl grey tea, jasmine tea, ginseng oolong, masala chai, green lemon tea, etc.

CTC tea is the major contributor in the tea market segment but with the increasing consciousness on the health issues, green tea sales are picking up. Specialty tea market in India is growing at the rate of 25% annually.

Tea production is expected to inch up marginally higher than last year in 2013-14 on account of better productivity from North India. India is the second largest producer of tea in the world with a 31% share of total production, but the country consumes 75-80% of its own production.

Annual production of tea in 2013 stood at 1200 million kg, with North India accounting for 79% in total production and the rest coming from South India. Tea production in India in 2013 grew by 6.5% with a production of 1200 million kgs as compared to 1,126 million kgs in 2012. The production increase had little impact on exports as the majority of this tea was CTC grade and effectively all was consumed by the fast-growing domestic market. Although tea is produced in 14 States in India, five of them — Assam and West Bengal in North India, and Tamil Nadu, Kerala and Karnataka in South India account for over 98% of India's tea production.

Price Realisation

In India more than 50% sales of tea is routed through auction at various auction centres located in North & South India. Tea generally moves directly from factory either to auction centre for sale or for direct sale to national or international buyers. Auction buying is much more fragmented and there exists a sizable gap between wholesale and retail prices. There is also a clear seasonality in prices of tea within a year. Another of the variable explaining the variance in auction prices is unit export price. Higher export price raises the bargaining position of sellers at auctions. Export volume also has an influence on the price formation at auctions as higher export reduces domestic availability and hikes up domestic price. Further, lots offered and quantity sold is inversely related with average price realization at auction.

Prices are bound to remain firm due to strong domestic demand as well as increase in the demand from the export market. Last year due to agro climatic conditions, the production was below the standard production which left the demand unmet. That demand has been carry forwarded this year and therefore prices will remain firm this year. Usually, production increase causes prices to fall, but due to the rise in domestic consumption this has not been the case.

As compared to North India, auction prices in South India are estimated to increase at a faster pace on account of continued decline in production in 2013-14. With consumption increasing at a faster rate than production, prices of CTC tea have witnessed a sharper increase in recent years thus narrowing, or even at times eliminating, the premium that orthodox tea has traditionally enjoyed in the domestic market.

Supply Chain

Tea comes from an evergreen bush—Camellia Sinensis—that grows best at a fairly high altitude. It can take from 5 to 7 years after being planted for the tea bush to become suitable for commercial exploitation, after which it can remain productive for over 100 years. All types of tea — black tea, green tea, white tea, Oolong tea, etc.—are produced from the buds and leaves of the same plant; the difference is in the processing.

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Technically, tea is harvested all year round, but there are also certain peak seasons. For example, the highest quality (and most expensive) Darjeeling tea is plucked in April. After plucking, the tea leaves need to be delivered to a factory, preferably within 5 to 7 hours after harvesting to prevent loss of quality.

Although most plantations have their own processing units, small growers need to sell their green leaf to independent Bought Leaf Factories (BLFs) or to estate factories nearby. At the processing plant, the tea leaves go through a process of drying and crushing, resulting in factory tea—also known as “made tea”. This processed tea is then sold in packets and chests through auctions and international traders, ending up at the tea blenders, retail and eventually the consumer.

The tea supply chain is characterized by a very strong vertical integration by just a few multinationals. At the global level, 85% of global production is sold by multinationals. Direct links between manufacturers and producers are common. The main packers are the key players in the consumer market. They dominate the trade, have a strong influence on transport companies, and source part of their supplies from their own plantations.

Producers

Tea production has long been dominated by large plantations, but especially since liberalization of markets in the mid 1990s, smallholdings are on the increase. In Kenya and Sri Lanka, about two-thirds of all tea is cultivated on smallholdings. For these farmers, cultivating tea provides work and income throughout the year, with a low risk of complete crop failure.

Processors

Most of the processing of tea leaves takes place in the countries of origin, as processing the tea leaf should begin within 5-7 hours after harvesting to avoid deterioration in quality. Processing is done in independent BLFs or estate factories, through controlled fermentation of the liquor present. The two main methods of black tea production — the most widely produced tea — are ‘orthodox’ and ‘CTC’, where the leaves are cut and rolled in several special ways. Both types come in different grades or qualities, based on the size of the processed and dried leaves. In green tea production, the natural fermentation process is halted by first drying (heating or steaming) the freshly picked leaves before further processing. Tea quality and price are determined on the basis of liquor, aroma/flavor and leaf appearance. The processed factory tea (also known as “made tea”) is sold in packets and chests.

Auctions

Roughly 70% of global tea production is traded through auctions. Brokers constitute an important link between tea producers and buyers, since they communicate information regarding supply and demand. Unlike the coffee and cocoa trade, there is no single indicator price for tea. Instead, pricing is dominated by the auction system, where the price of tea from each estate is determined on a day-to-day basis, according to the quality and supply and demand on the day. This is because tea quality will vary considerably even from the same factory and region on a weekly or monthly basis. The average prices at the three most important auction centers (Kolkata, India; Colombo, Sri Lanka; and Mombasa, Kenya) are a reference for the world market price. The local auction centre is used for rapid delivery and lower costs, there are 6 auction centers in India, and one each in Sri Lanka (Colombo), Indonesia (Jakarta), Malawi (Limbe), eastern Africa (Mombasa) and Bangladesh (Chittagong). Chinese tea is sold at commodity fairs in Guangzhou.

At auctions, buyers bid for one particular grade from a particular tea garden at a time, after tasting the tea and judging its value. The auctioneer plays an important role in the tea market. Apart from personally tasting and evaluating each individual invoice, he has to use his knowledge of the world demand and marketing skill in judging the marketability of the tea. He has final jurisdiction and his judgment to a certain extent determines the selling price of the tea.

Brokers

A few firms dominate the sales in each auction centre. Brokers are registered with the appropriate tea board in order to operate, which limits the number of auction houses where tea can be sold. The concentration of buyers in most auction centers has traditionally been very high. New buyers are inherently discriminated against for a number of reasons. Firstly, brokers generally do not accept bids from buyers they do not know as they feel it increases their risk. Secondly, the new buyers are disadvantaged by the fact that the tea has to go to the processing and packaging plants most of which

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are owned by the other companies competing with them in the same auction.

Blenders

Tea is generally exported with minimal processing to importing consumer countries, where it is blended and packaged by the tea companies. Blending is the most lucrative part of the tea trade, meaning the largest proportion of the profits does not end up in the tea-producing countries, but abroad. Whilst many producers try to export pre-processed tea, the export of 'ready-for-use' tea is often hindered by the absence of money for expensive marketing strategies.

The consumer markets are dominated by the popular blended brands. These blends can contain up to 36 different types of tea, blended in the consuming country. They are designed to keep their taste constant despite the loss of any tea-source due to adverse weather or high prices.

By exporting tea in bulk, developing countries are missing the opportunity for significantly increased export earnings. Producing countries currently sell tea most often as a generic without branding and packaging, branded tea fetches prices six times higher than bulk export. Sri Lanka is an exception, and has succeeded in capturing more value in the supply chain through value-added production.

Retail

With the growth of the supermarkets in Europe and North America, the character of tea buying changed quite dramatically in the 1990s. There has been a centralization of tea buying, increased buying by individual companies and the bypassing of wholesalers through direct links between the tea buyers and tea packers. Leading companies spend a great deal on promotion of their products. A great amount of money is also spent on trade promotions to retail outlets to try to persuade them to carry their brands, particularly by smaller companies. Retailers generally seem to add small margins on the tea but make their money from these promotional margin allowances from the packers.

Outlook

India's tea consumption increased 2.5% in 2013, with growth forecast at 2.8% in 2014. Over the long-term, tea is also expected to face increased competition from coffee, the consumption of which has increased at a 5-year CAGR of 5.8%.

Because of expected decline in domestic production during 2014, higher domestic production in China and Kenya, and expected slowdown in world consumption growth; India's exports could remain at around 200-210 mkg in 2014. However, tea production could decline in Sri Lanka thereby increasing demand for Indian tea. Drought conditions are likely to hamper output in Sri Lanka in 2014, with plantations in both high- and low-lying areas affected. In Kenya, production growth could slow down from post-drought rebound of 18% in 2013 to 2% in 2014. Although world tea prices are forecast to decline during 2014, export realisations for Indian exporters could improve because of the recent substantial depreciation of the rupee. World net imports of tea could rise at a lower rate in 2013-14. World consumption of tea could increase at a higher rate in 2014 caused by improved world growth outlook, decline in tea prices, and recent sharp decline in coffee prices.

Growth in global tea consumption slowed down from 4% in 2011 to 3.2% in 2012 and was 3.1% in 2013, reflecting weak global economic conditions as well as subdued consumption growth in India and major consuming countries in Europe (UK and Russia). Tea consumption is forecast to increase 3.5% in 2014 supported by stronger consumption growth in China and in emerging economies in Asia, the Middle East and Africa. After increasing by an estimated 5.8% in 2013, global tea production growth is forecast to slow down to 2.5-2.8% in 2014 because of declines in India and Kenya.

The overall tea market surplus increased from 77 mkg in 2010 to 425-450 mkg in 2013. The surplus is forecast to decline to around 400 mkg in 2014 reflecting strong improvement in global consumption and slowdown in production growth. Tea prices fell in 2012-13, owing to rising oversupply. As the market surplus declines in 2014, prices could increase from \$2.65/kg in 1Q2014 to \$2.85-2.90/kg in the second half of 2014. However, prices on an annual basis are forecast to decline from \$2.86/kg in 2013 to around \$2.75-2.80/kg in 2014. Growing competition among exporting countries for market share could weigh on the market. Taking a long-term perspective, the industry has been in a consistent oversupply position for over a decade now, a trend, which is unlikely to change in the medium term, except

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for short-term and seasonal fluctuations.

Indian tea industry is expected to touch a turnover of nearly ₹33,000 crores by 2015 driven by upsurge in demand from domestic market. Consumption of tea has increased as compared to production and this will help in better price realization.

Sources:

1. www.teaboard.gov.in
2. www.indiatea.org
3. A study by ASSOCHAM
4. THE INDIAN TEA INDUSTRY – ONCRA Credit Rating Agency of India

BUSINESS OVERVIEW

Up to March 31, 2014, the Tea business was conducted by Dhunseri Petrochem Limited (formerly known as Dhunseri Petrochem & Tea Limited). Consequent upon the demerger of Tea Division of DPL, the Tea business is being conducted by the Company. The tea business mainly comprises of manufacturing, processing and marketing of Tea.

Our Company was incorporated on October 7, 1997 as an Unlisted Public Company under the name of Dhunseri Services Limited. The Company's name was changed to Dhunseri Tea & Industries Limited and a fresh certificate of incorporation dated February 5, 2014 consequent upon the change of name was issued by the Registrar of Companies, West Bengal.

Dhunseri is one of the largest Indian tea producers, accounting for 0.82% 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 expansion of a five decade Indian tea Company. The Company strengthened production from these two estates with a clear focus on European palates. The Company has 10 tea gardens in Assam, of which nine gardens have their own factories which are ISO 22000:2005-certified by DNV Business Assurance for food safety, emphasising the Company's positioning as a premier tea producer. The company has also taken measures to implement Trustea Code and to obtain certification from the Tea Board.

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

The Company's net domestic sale of tea increased by 4.74 per cent from Rs.161.61 crore in 2012-13 to Rs. 169.27 crore in 2013-14.

Operation

The Dhunseri Group's tea garden area under cultivation is spread over 3055.75 hectares in Assam. During 2013-14, Dhunseri Group reported a 7.45% decline in the production of tea to 10.1 million kg as a result of the drought, erratic climate and pest attacks. The factory at Hatijan Tea Estate, having an annual capacity of 1.5 million kg, was commissioned and made operational from the Q1 FY 2012-13. The Company has produced 14 lac kg tea at the Hatijan Tea Factory in 2013-14, during the second year of its operation, and is expected to produce 15-16 lac kg tea in the next two years.

The Dhunseri Group's tea garden in Africa is spread over 2606 hectares under tea plantation. The production during the financial years 2013 and 2014 was about 8.11 & 9.20 million Kg respectively.

The two tea companies Makandi Tea & Coffee Estates Ltd. and Kawalazi Estate Company Ltd. with two tea estates in Malawi were acquired through Dhunseri Petrochem & Tea Pte Ltd, a wholly-owned Singapore subsidiary, in August 2012. The Company has also stabilised production at Makandi Tea & Coffee Estates Limited and Kawalazi Tea Estate.

The Group has taken several large scale initiatives like, infilling of vacancies, uprooting and replanting of old tea bushes. The Group has invested in equipment like vibratory fluidised bed dryers, enclosed withering troughs, modern humidification plants to improve the quality and yield and monorail conveyer systems to save on manpower. In the Malawi gardens, plucking and pruning machines are being used to reduce labour deployment. These machines are also put to trial in some of the company's tea estates in India.

The Group has commissioned 100% irrigation facilities at all its North Bank gardens and for the South Bank gardens it is being implemented in a phased manner and two gardens will be covered during this year. Further, fermenting floors has been tiled to maintain hygiene and eliminate bacterial contamination.

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The Company faced with higher moisture content in the packaging of Kala Ghora brand tea at its Dhunseri Tea Estate packaging plant due to climatic conditions and shifted its packaging plant to Jaipur by constructing a new building within the Packet Factory at Jaipur. This initiative has also helped in reducing logistics cost and improving quality of Kala Ghora. .

A gradual increase in the tea bearing area has improved the average yield to 2,126 kg in 2013-14, an increase of 5% over 2012-13.

The Company's average realisation per kg was ₹ 160/- Per kg in 2013-14 whereas the average realisation in Assam was ₹ 149/- per kg.

Strategy

The tea industry is seasonal in nature and to a large extent depends on the vagaries of the weather. Tea is a common man's drink and is also the cheapest drink with its many health benefits that it offers to mankind. It is a very competitive and labour intensive industry. The survival in the industry is largely dependent on effective management of labour and tea bushes.

Thus, the Company's strategy is to control the costs effectively and also to improve the quality of tea being produced as well as take all necessary steps for mitigating the vagaries of the weather like draught, and control of pests and insects.

Capacity utilization

The capacity utilization at the tea factories of the Company are 100% with possibility for increasing it when required.

Area of operation

Our primary market is Rajasthan, where we sell ~100% of our packet tea.

Marketing

The Company marketed 37.1% of its total tea through the auction route during 2013-14. Further, 32.82% of its revenues were derived from the sale of packet tea.

A strong marketing presence has helped the Company to maintain their number #1 position in packet tea sales segment in the State of Rajasthan through their brands LAL GHORA and KALA GHORA. To boost up the Company's brand visibility, the company invested about ₹ 127 lacs towards their advertising expenses. Ms. Hema Malini continues to be the brand ambassador for packet tea brands – LAL GHORA and KALA GHORA.

The company has also launched tea in 1 Kg packet under its brand Bahipookri in Rajasthan.

Strengths

Experienced management: More than 50 years of experience reflected in overall consistent performance..

Productivity: Plant automation is expected to enhance productivity. Average plucker productivity was around 24.41 kg compared to the industry average of around 23 kg. Factory productivity at 55.38 kg was also higher compared to industry average of 50 kg.

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 thereby increasing the total tea production to over 19 million Kg.

Product basket: The Company is engaged in the production of diverse tea varieties, addressing different palate requirements along with macadamia nuts and coffee at its Malawi plantations.

Quality focus: The Company is a process-led producer resulting in a compliance with global health and quality

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benchmarks on one hand and superior quality on the other – across gardens and countries.

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

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

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

Outlook

The Company intends to invest in quality-led product differentiation, yield increase, labour cost moderation and in the promotion of the Company's brands. Dhunseri Group expects to strengthen the working of its tea business through the following initiatives:

- 15 lac plants to be put in the field every year getting the most of the cultivable lands under Tea;
- Launched tea in 1 kg packets in Rajasthan (brand BAHIPOOKRI) to cater to the demand for the product in this category;
- Commenced full scale production at the Hatijan tea factory, mechanization in Malawi estates and also in Assam garden plucking, pruning and spraying and increase in macadamia production in overall cultivated area.;
- Emphasis on planting, clonal tea variety for higher yields and better quality;
- Cater to international markets from Malawi estates and increase the sales of packet tea in domestic market in India.

Manufacturing process

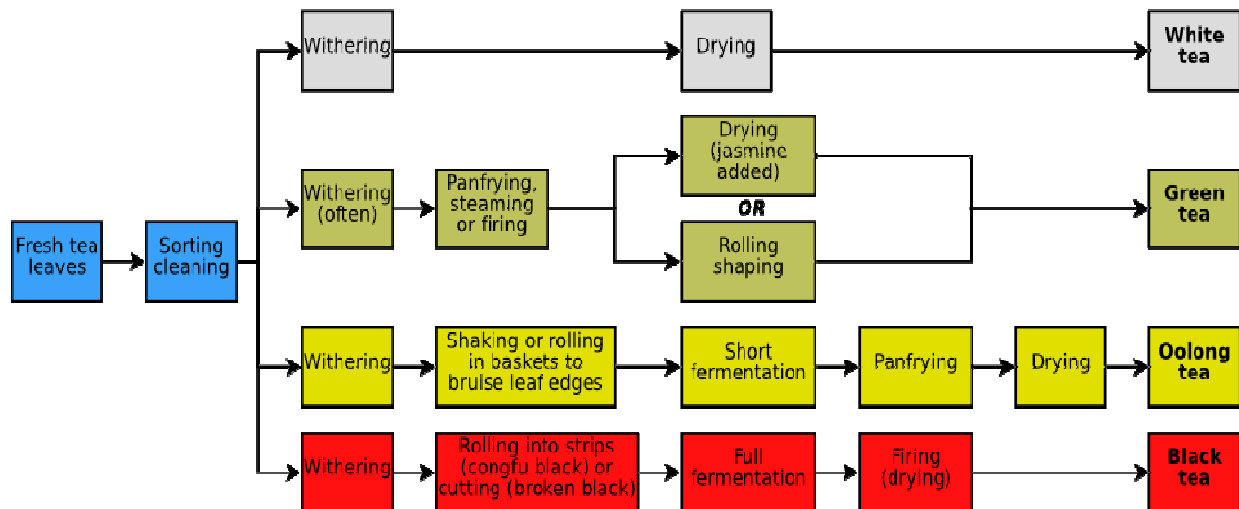
Tea manufacture involves converting young tea shoots into dry black tea. This involves a number of processes from plucking to packing. At the plucking stage, only the two leaf and a bud is plucked on an interval of seven days. These leaves are young and tender, resulting in a better quality tea. The fresh green leaves need to have the moisture removed from them. This is done by blowing air through the leaves for 12 to 14 hours. This process is called withering.

There are then two types of tea i.e. Orthodox and CTC tea. Tea, which is to be used as loose leaf, is normally rolled in rolling table gently, to create a twisted appearance, is called Orthodox Tea. While tea which is to be used for tea bags, is shredded and crushed in CTC machines, to produce a fine granular powder, is called CTC Tea. The rolling and crushing of the leaves result in rupturing of the leaf cells, which allows oxidation. This gives the tea its distinctive black colour and flavour.

The tea is then dried at high temperature to cease fermentation. The stalks and fibre in the tea are then removed, making it suitable to be sold as loose tea. The tea is then sorted into various grades by passing it through meshes of varying sizes to sort and grade it.

There are several variety of Tea: CTC ; Orthodox; Black tea, Green tea, Oolong tea, etc.

Tea (Cameillia Sinensis) Processing Chart




MAIN OBJECTS OF THE COMPANY

Change in memorandum due to scheme of arrangement pursuant to Section 17(1) of the Companies Act, 1956 and other applicable provisions of the Act, if any, clauses 1 & 2 to the Objects Clause III (A) of the Memorandum of Association of the Company was inserted namely;

1. To carry on the business of planters, growers and manufacturers of tea, coffee, cinchona, cocoa and other natural products of any kind, ship-owners, bankers, engineers and merchants in all their branches, and any other business which can conveniently be carried on in connection with such business or any them, including the purchasing and selling of timber, and the manufacture and sale of tea boxes and other articles, and the clearing, planting, irrigation and cultivation of lands, the making of roads, railways, tramways, canals and aquaducts for the development of the Company's prosperity, and the convenient carrying on of its business.
2. To buy, sell, trade and deal in tea, coffee and other plants and seed and rice and other food and requisite for labourers and others employed on estates, and generally to trade and deal in any way in the production, manufacture and purchase and sale of tea, coffee and other products, whether in raw or manufactured state or any other goods produced, wares, merchandise, articles and things of any kind and to lay out, construct, take upon lease or otherwise, acquire, convert, alter, modify, equip maintain and work tea plantations and tea factories at any place or places in India or elsewhere with the necessary works, buildings, erections, machinery, implements and articles required for the same.

OUR PROMOTERS AND THE MANAGEMENT OF THE COMPANY

Promoter

<p>Mr. Chandra Kumar Dhanuka</p> 	<p>Mr. Chandra Kumar Dhanuka, 60 years, is a commerce graduate having over four decades of experience in production of Tea as well as its tasting, grading and blending. He is also credited for successfully setting-up the petrochemical unit of the group with foreign technical collaboration. He is presently the Managing Director of the Company. Providing industry wise leadership and management strategy may be deemed as his areas of expertise. Mr. Dhanuka is responsible for overall management of the group.</p> <p>Mr. Dhanuka is associated with various economic, commercial and social organizations. He is also the Executive Chairman of Dhunseri Petrochem Ltd. and Chairman of Dhunseri Investments Ltd. 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. He is also the Ex-President of the All India Organization of Employers.</p> <p>Passport No: Z2218015 PAN : ADGPD0857K</p>
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Board of Directors of the Company

Name & DIN of the Director	Address	Designation	Date of Appointment	Directorship in other Companies
Mr. Chandra Kumar Dhanuka DIN: 00005684	14B, Dr. U. N. Brahmachary Street (Formerly, 14, Loudon Street), Kolkata – 700017 West Bengal, India	Managing Director & CEO	01.02.2014	<ol style="list-style-type: none"> 1. Dhunseri Petrochem Limited 2. Dhunseri Investments Limited 3. Mint Investments Limited 4. Naga Dhunseri Group Limited 5. Plenty Valley Intra Limited 6. Egyptian Indian Polyester Co. SAE 7. Dhunseri Infrastructure Limited 8. Dhunseri Petrochem & Tea Pte Ltd. 9. Jatayu Estate Private Limited 10. Kawalazi Estate Co. Limited 11. Madhuting Tea Private Limited 12. Makandi Tea & Coffee Estates Limited 13. Trimplex Investments Limited 14. CESC Limited (Independent Director) 15. ABC Tea Workers Welfare Services
Mr. Mrigank Dhanuka* DIN : 00005666	14B, Dr. U. N. Brahmachary Street (Formerly, 14, Loudon Street), Kolkata – 700017 West Bengal, India	Non-Executive Non-Independent	01.02.2014	<ol style="list-style-type: none"> 1. Dhunseri Petrochem Limited 2. Dhunseri Investments Limited 3. Mint Investments Limited 4. Naga Dhunseri Group Limited 5. Plenty Valley Intra Limited 6. Egyptian Indian Polyester Co. SAE

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Name & DIN of the Director	Address	Designation	Date of Appointment	Directorship in other Companies
				7. Dhunseri Infrastructure Limited 8. Dhunseri Petrochem & Tea Pte Limited 9. Jatayu Estate Private Limited 10. Kawalazi Estate Co. Limited 11. Madhuting Tea Private Limited 12. Makandi Tea & Coffee Estates Limited 13. Trimplex Investments Limited
Mr. Bharat Bajoria DIN: 00109241	5 Alipore Road, Kolkata – 700027 West Bengal, India	Independent Director	19.05.2014	1. Banarhat Investment Co. Private Limited 2. Birdie Trading Private Limited 3. Globe India Limited 4. McLeod & Co. Limited 5. McLeod Russel India Limited 6. Speedways International Private Limited 7. Teesta Valley Exports Limited 8. Teesta Valley Tea Co. Limited 9. The Bormah Jan Tea Co./ (1936) Limited 10. The Budge Budge Investment Co. Private Limited 11. Trishul Co. Private Limited 12. Williamson Magor & Co. Limited
Mr. Basudeo Beriwal*	167, Chittaranjan Avenue, Kolkata - 700007, West Bengal, India	Independent Director	09.09.2014	1. Dhunseri Investments Limited 2. Bee Aar Enterprises Limited 3. Kaniska Engg. Industries Limited 4. Rainbow Engineering Limited
Mr. Ashok Kumar Lohia DIN: 00132070	4, Alipore Park Road, Kolkata-700027 West Bengal, India	Independent Director	09.09.2014	1. Bio Tea Estates Limited 2. B.D. Tea Estates Private Limited 3. Chamong Chiabadi Resorts Private Limited 4. Chamong Tea Exports Private Limited 5. Dhunseri Investments Limited 6. East India Commercial Co. Limited 7. Nagrifarm Tea Co. Limited 8. Senairam (India) Private Limited 9. Sycotta Tea Co. Private Limited 10. S D Enterprises Limited
Mr. Rajiv Kumar Sharma* DIN : 05197101	Avaniniket, 63, Sarat Banerjee Road, 1st Floor, Kolkata – 700029 West Bengal, India	Non-Executive Non-Independent Director	09.09.2014	1. Dhunseri Petrochem Limited 2. Dhunseri Infrastructure Limited 3. Egyptian Indian Polyester Co.SAE 4. Kawalazi Estate Co. Limited 5. Makandi Tea & Coffee Estates Limited
Ms. Nandini Khaitan DIN: 06941351	3, Queens Park, Kolkata-700019 West Bengal, India	Independent Director	09.09.2014	1. Williamson Financial Services Limited 2. International Conveyors Ltd.

* Directors appointed in casual vacancy

Brief Profile of Directors:

Mr. Chandra Kumar Dhanuka

Mr. Chandra Kumar Dhanuka, 60 years, is a commerce graduate having over four decades of experience in production of Tea as well as its tasting, grading and blending. He is also credited for successfully setting-up the petrochemical unit of the group with foreign technical collaboration. He is presently the Managing Director of the Company. Providing industry wise leadership and management strategy may be deemed as his areas of expertise. Mr. Dhanuka is responsible for overall management of the group.

Mr. Dhanuka is associated with various economic, commercial and social organizations. He is also the Executive Chairman of Dhunseri Petrochem Ltd. and Chairman of Dhunseri Investments Ltd. 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. He is also the Ex-President of the All India Organization of Employers.

Mr. Mrigank Dhanuka

Mr. M. Dhanuka, 34 years, is holding B.Com (Hons) degree from Calcutta University. He has also undergone a three year course on Industrial & Operations Engineering from university of Michigan, USA. He had his initial training in the group companies of Dhunseri Group. He has over 10 year of experience in management and operations of Tea & Petrochemicals businesses.

Mr. M. Dhanuka is the Vice Chairman and the Managing Director of Dhunseri Petrochem Limited. He is also on the Board of other group companies of the Dhunseri Group.

Mr. Bharat Bajoria

Mr. Bharat Bajoria, 61 years, is a commerce graduate having around four decades of experience in all aspects of Tea Plantation business. Mr. Bajoria is associated with Tea Industry since 1975 and has expertise in all aspects of Tea Plantation business. He is a leader of the Indian Tea Industry. Mr. Bajoria has vast experience in the field of retail pertaining to FMCG commodities, including tea and jute. He has also served as Non-Executive Chairman of Phoenix Mills Limited.

Mr. Basudeo Beriwala

Mr. Basudeo Beriwala, 77 years, is a commerce graduate and having over four decades of experience in the field of management, finance, operations and administration.

Mr. Ashok Kumar Lohia

Mr. Ashok Kumar Lohia, 62 years, is a commerce graduate having over 30 years of experience in the manufacturing and distribution of tea.

Mr. Rajiv Kumar Sharma

Mr. Rajiv Kumar Sharma, 49 years, is a commerce graduate from University of Calcutta, and a member of the Institute of Chartered Accountant of India and the Institute of Company Secretaries of India. Mr. R. K. Sharma has a consistent and comprehensive academic track record. Mr. Sharma is having more than 25 years of experience in the field of finance, accounts, taxation, secretarial, contract negotiation etc. He is associated with the Dhunseri Group for more 17 years.

Ms. Nandini Khaitan

Ms. Nandini Khaitan, 34 years, is holding a Masters degree in Law (LLM), and is a member of the Bar Council of Maharashtra and Goa. Ms. Khaitan is a legal professional having specialisation in litigation and dispute resolution with

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over ten years of experience. She is a Practicing Advocate.

Corporate Governance

Our Company is in full compliance with Clause 49 of the Listing Agreement with the stock exchanges.

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.

Our Company 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. Our Company 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. Our Company complies with the Corporate Governance Code enshrined in Clause 49 of the Listing Agreement.

Board of Directors

Composition of Board

The Board of Directors comprises of four Independent Directors, two Non-Executive Non-Independent Directors and one Executive Promoter Director, who is the Managing Director of the Company. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges and the provisions of the Companies Act, 2013. The Board of Directors comprises of:

Name	Category	Terms of Office
Mr. Chandra Kumar Dhanuka	Managing Director & CEO	Holding office up to 08.09.2019. Not liable to retirement by rotation.
Mr. Mrigank Dhanuk	Non-Executive Non-Independent Director	Holding office up to next AGM in the year 2015. Liable to retirement by rotation
Mr. Bharat Bajoria	Independent Director	Holding office up to 07.09.2019. Not Liable to retirement by rotation
Mr. Basudeo Beriwalla	Independent Director (appointed in casual vacancy as a director at the board meeting held on 09.09.2014)	Holding office up to 08.09.2019. Not Liable to retirement by rotation
Mr. Ashok Kumar Lohia	Independent Director (appointed as an additional director at the board meeting held on 09.09.2014)	Holding office up to 08.09.2019. Not Liable to retirement by rotation
Mr. Rajiv Kumar Sharma	Non-Executive Non-Independent Director	Holding office up to AGM in the year 2016 Liable to retirement by rotation
Ms. Nandini Khaitan	Independent Director (appointed as an additional director at the board meeting held on 09.09.2014)	Holding office up to 08.09.2019. Not Liable to retirement by rotation

Audit Committee

The Audit Committee was constituted as per Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

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The Audit Committee comprises of:

Member of the Audit Committee	Designation
Mr. Basudeo Beriwalla	Chairman
Mr. Chandra Kumar Dhanuka	Member
Mr. Ashok Kumar Lohia	Member
Mr. Bharat Bajoria	Member

Powers of Audit Committee

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

Role of Audit Committee

A brief description of the role of the Audit Committee as contained under Clause 49 of the Listing Agreement is as under:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;

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

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Nomination & Remuneration Committee:

The Nomination & Remuneration Committee comprises of:

Member of the Nomination & Remuneration Committee	Category
Mr. Basudeo Beriwalla	Chairman
Mr. Chandra Kumar Dhanuka	Member
Mr. Ashok Kumar Lohia	Member
Ms. Nandini Khaitan	Member

The terms of reference, role and scope of the Nomination and Remuneration Committee are in line with those prescribed by section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The role and scope of the Committee includes, inter alia, to identify persons who are qualified to become directors and who may be appointed in senior management, formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The terms of reference of the Nomination & Remuneration Committee shall be as under:

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1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of:

Member of the Stakeholders Relationship Committee	Designation
Mr. Basudeo Beriwal	Chairman
Mr. Chandra Kumar Dhanuka	Member
Mr. Ashok Kumar Lohia	Member

The terms of reference of the Stakeholders Relationship Committee shall, inter alia, include:

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

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of:

Member of the Corporate Social Responsibility Committee	Designation
Mr. Basudeo Beriwal	Chairman
Mr. Chandra Kumar Dhanuka	Member
Mr. Nandini Khaitan	Member

The terms of reference of the Corporate Social Responsibility Committee shall, inter alia, include:

1. The committee shall formulate and recommend to the Board a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. The Committee shall recommend the amount of expenditure to be incurred on the above CSR activities; and
3. Monitor the said CSR policy from time to time.

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Risk Management Committee

The Risk Management Committee comprises of:

Member of the Risk Management Committee	Designation
Mr. Chandra Kumar Dhanuka	Chairman
Mr. Mrigank Dhanuka	Member
Mr. Rajiv Kumar Sharma	Member

The terms of reference of the Risk Management Committee shall, inter alia, include:

1. Laid down procedures to inform Board members about the risk assessment and minimization procedures.
2. Framing, implementing and monitoring the risk management plan for the company.
3. Monitoring and reviewing of the risk management plan
4. Such other functions may be delegated by the Board as it may deem fit.

Other Committees

In addition to the above committees, the Company also have the following committees

1. Committee of Directors
2. Investment Committee
3. Share Transfer Committee

Terms and conditions of employment of our Executive Directors

The details of terms and conditions of appointment, including remuneration, of Mr. Chandra Kumar Dhanuka, Managing Director are as under:

Name	Mr. Chandra Kumar Dhanuka
Designation	Managing Director & CEO
Tenure	5 years. From September 9, 2014 to September 8, 2019
Notice Period	One month
Remuneration	<u>Salary</u> In pay scale of Rs 75,000 – 5000- Rs.95,000 per month. <u>Perquisites</u> <ol style="list-style-type: none">1. Rent Free Furnished Accommodation or in lieu thereof House Rent Allowance at 50% of the salary2. The reimbursement of actual medical expenses incurred by self and family of the Managing Director3. Leave Travel Concession for self and family once in a year.4. Others as per the agreement dated December 1, 2014

Remuneration to our Non-Executive Directors

Non-Executive Directors of the Company are entitled to sitting fees for attending the meetings of the Board of Directors and Committees thereof. The Board of Directors has approved the payment of Rs.10,000/- as sitting fee for every meeting of the Board of Directors attended and Rs.5,000/- for Committees Meetings (viz. Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Meetings of Independent Directors) at its meeting held on September 9, 2014. The said sitting fee shall be payable for the meetings held on and after September 9, 2014.

CAPITAL STRUCTURE

Share Capital Pre-Scheme of Arrangement:

	(₹ in Lacs)
Authorised	Amount
50,000 Equity Shares of ₹10/- each	5.00
Issued & Subscribed	
50,000 Equity Shares of ₹10/- each fully paid-up	5.00
Paid-up	
50,000 Equity Shares of ₹ 10/- each fully paid-up	5.00

Share Capital Post-Scheme of Arrangement:

	(₹ in Lacs)
Authorised	Amount
7,500,000 Equity Shares of ₹10/- each	750.00
Issued & Subscribed	
7,004,951 Equity Shares of ₹10/- each fully paid-up	700.50
Paid-up	
7,004,951 Equity Shares of ₹ 10/- each fully paid-up	700.50

Equity Build up of the Company

Date of Allotment	No. of Shares	Cumulative No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative Paid-up Capital (₹)	Nature of Allotment/ Remarks	Consideration
On incorporation	700	700	10	10	7,000	-	Cash
27.03.1998	19,300	20,000	10	10	200,000	Right Issue	Cash
12.12.2002	30,000	50,000*	10	10	500,000*	Right Issue	Cash
22.09.2014	7,004,951	7,004,951	10	10	70,049,510	Pursuant to the Scheme of Arrangement	NA

* Cancelled subsequently pursuant to the Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court at Kolkata vide its order dated August 7, 2014.

Shareholding pattern of the Company before and after the Scheme of Arrangement:

Shareholding pattern before the scheme:

The entire equity capital consisting of 50,000 equity shares was held by Dhunseri Petrochem Limited. All the said shares were cancelled subsequently pursuant to the Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court at Kolkata vide its order dated August 7, 2014.

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Shareholding pattern after the scheme:

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage (IX)= (VIII)/(IV)* 100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	11	1,81,476	1,81,476	2.59	2.59		-
(b)	Central Government/ State Government(s)	-	-	-	-	-		
(c)	Bodies Corporate	10	37,72,647	37,72,647	53.86	53.86		-
(d)	Financial Institutions/ Banks	-	-	-	-	-		
(e)	Any Others(Specify)	-	-	-	-	-		
	Sub Total(A)(1)	21	39,54,123	39,54,123	56.45	56.45	-	-
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-		
b	Bodies Corporate	1	7,59,010	7,59,010	10.84	10.84		-
c	Institutions	-	-	-	-	-		
d	Qualified Foreign Investor	-	-	-	-	-		
e	Any Others(Specify)	-	-	-	-	-		
	Sub Total(A)(2)	1	7,59,010	7,59,010	10.84	10.84	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	22	47,13,133	47,13,133	67.28	67.28	-	-
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	2	280	280	0.00	0.00		
(b)	Financial Institutions / Banks	15	2,767	2,331	0.04	0.04		
(c)	Central Government/ State Government(s)	1	35	-	0.00	0.00		
(d)	Venture Capital Funds	-	-	-	-	-		
(e)	Insurance Companies	4	4,36,221	4,36,221	6.23	6.23		
(f)	Foreign Institutional Investors	1	4,000	4,000	0.06	0.06		
(g)	Foreign Venture Capital Investors	-	-	-	-	-		
(h)	Qualified Foreign Investor	-	-	-	-	-		
(i)	Any Other (specify)	1	4,61,728	4,61,728	6.59	6.59		
	Sub-Total (B)(1)	24	9,05,031	9,04,560	12.92	12.92		

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(B) (2)	Non-institutions							
(a)	Bodies Corporate	606	4,34,367	4,32,124	6.20	6.20		
(b)	Individuals				-	-		
I	Individual shareholders holding nominal share capital up to Rs 1 lakh	23,249	9,15,602	8,31,359	13.07	13.07		
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1	13,000	13,000	0.19	0.19		
(c)	Qualified Foreign Investor	-	-	-	-	-		
(d)	Any Other (specify)				-	-		
(d-i)	Trusts	4	1,658	100	0.02	0.02		
(d-ii)	Foreign National	6	266	-	0.00	0.00		
(d-iii)	Custodian of Enemy Property	4	221	-	0.00	0.00		
(d-iv)	Clearing Member	22	4,841	4,841	0.07	0.07		
(d-v)	Non Resident Individual	171	16,832	15,265	0.24	0.24		
	Sub-Total (B)(2)	24,063	13,86,787	12,96,689	19.80	19.80		
(B)	Total Public Shareholding (B)=(B)(1)+(B)(2)	24,087	22,91,818	22,01,249	32.72	32.72		
	TOTAL (A)+(B)	24,109	70,04,951	69,14,382	100.00	100.00		
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	-	-	-		-		
2	Public	-	-	-		-		
	Sub-Total (C)	-	-	-		-	-	
	GRAND TOTAL (A)+(B)+(C)	24,109	70,04,951	69,14,382		100.00	-	-

(D)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total (A) +(B) +(C)	No.	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)=(V)/(III)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)

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)*100						
1	CHANDRA KUMAR DHANUKA KARTA OF SHANKARLAL CHANDRA KUMAR (HUF)	80,000	1.14	-	-	-	-		-		1.14
2	CHANDRA KUMAR DHANUKA C/O MRIGANK DHANUKA TRUST	28,000	0.40	-	-	-	-		-		0.40
3	MRIGANK DHANUKA	22,127	0.32	-	-	-	-		-		0.32
4	ARUNA DHANUKA	16,502	0.24	-	-	-	-		-		0.24
5	CHANDRA KUMAR DHANUKA C/O SHREE SHALIGRAM TRUST	9,400	0.13	-	-	-	-		-		0.13
6	CHANDRA KUMAR DHANUKA	9,104	0.13	-	-	-	-		-		0.13
7	MRIGANK DHANUKA C/O ARUN DHANUKA	8,000	0.11	-	-	-	-		-		0.11
8	TARULIKA KHAITAN C/OTARUGREVE TRUST	4,000	0.06	-	-	-	-		-		0.06
9	TARULIKA KHAITAN	2,400	0.03	-	-	-	-		-		0.03
10	MRIGANK DHANUKA	1,057	0.02	-	-	-	-		-		0.02
11	CHANDRA KUMAR DHANUKA C/O SEW BHAGWAN AND SONS	886	0.01	-	-	-	-		-		0.01
12	DHUNSERI INVESTMENTS LTD	23,41,340	33.42	-	-	-	-		-		33.42
13	NAGA DHUNSERI GROUP LIMITED	4,12,500	5.89	-	-	-	-		-		5.89
14	NAGA DHUNSERI GROUP LIMITED	2,03,251	2.90	-	-	-	-		-		2.90
15	MINT INVESTMENTS LIMITED	1,80,632	2.58	-	-	-	-		-		2.58
16	PLENTY VALLEY INTRA LIMITED	1,72,091	2.46	-	-	-	-		-		2.46
17	DHUNSERI INVESTMENTS LIMITED	1,46,415	2.09	-	-	-	-		-		2.09
18	PLENTY VALLEY INTRA LIMITED	1,34,000	1.91	-	-	-	-		-		1.91

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19	MINT INVESTMENTS LIMITED	1,06,593	1.52	-	-	-	-		-		1.52
20	TRIMPLEX INVESTMENTS LIMITED	57,625	0.82	-	-	-	-		-		0.82
21	MADHUTING TEA PRIVATE LIMITED	18,200	0.26	-	-	-	-		-		0.26
22	YVES LOMBARD ASSET MANAGEMENT AG	7,59,010	10.84	-	-	-	-		-		10.84
TOTAL		47,13,133	67.28	-	-	-	-		-		67.28

(*) The term “encumbrance” has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1 % of the total number of shares

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	INTERNATIONAL FINANCE CORPORATION	4,61,728	6.59	-		-		6.59
2	THE NEW INDIA ASSURANCE COMPANY LIMITED	1,88,236	2.69	-		-		2.69
3	WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LTD	1,83,000	2.61	-		-		2.61
4	GENERAL INSURANCE CORPORATION OF INDIA	1,44,000	2.06	-		-		2.06
TOTAL		9,76,964	13.95	-		-		13.95

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category “Public” and holding more than 5% of the total number of shares of the company

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	INTERNATIONAL FINANCE CORPORATION	4,61,728	6.59	-		-		6.59
TOTAL		4,61,728	6.59	-		-		6.59

(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Promoter/Promoter Group/ Public
	NIL			
TOTAL				

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL			
TOTAL				

(II)(b) Statement showing holding of Depository Receipts (DRs), where underlying shares held by "promoter/promoter group" are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1	NIL			
TOTAL				

OBJECTS AND RATIONALE OF THE SCHEME

- a. DPL is a well established concern presently carrying on and having interests in various lines of business directly and through its subsidiaries. DPL's first business was cultivation and production of tea at its tea estates in the State of Assam. Later, DPL acquired the Bottle Grade PET Resin business of South Asian Petrochem Limited at Haldia in the State of West Bengal in terms of a Scheme of Arrangement with effect from 1st April, 2009. This acquisition marked the first major diversification for DPL in terms of nature of business and interests.
- b. The businesses and interests of DPL have since evolved in more ways than one. At the time of acquisition of the petrochemicals business, the size and reach of the tea business of DPL and such petrochemicals business were relatively small and manageable in one entity. The businesses and interests of DPL have since grown from strength to strength pursuant to acquisitions and capacity expansion projects.
- c. The tea business of DPL was well established in India with premium gardens in the State of Assam and two strong brands, 'Lal Ghora' and 'Kala Ghora'. With effect from 31 August 2012, DPL acquired through its Singapore subsidiary, namely Dhunseri Petrochem & Tea Pte Limited, controlling interest in Makandi Tea and Coffee Estates Limited and Kawalazi Estate Company Limited, two companies having large tea plantations in Malawi in Africa with a combined capacity of production of 94 Lakhs kgs of bulk tea. The said acquisition as also internal growth has resulted in considerable scaling up of the size and reach of the consolidated tea business of DPL. As compared to a total production of 98.58 lakh kgs of bulk tea and gross turnover of Rs.10,584 Lakhs in the financial year 2008-2009, the said business of DPL had a total production of 153.56 lakh kgs of bulk tea and gross turnover of Rs.20,785 Lakhs in the period of nine months ended on 31st December 2013.
- d. There has been a considerable scaling up of the size and reach of the petrochemicals business as well since 2009. The said business had a capacity of 2,00,000 metric tonnes (MT) of PET Resin in 2009 in its plant in Haldia. An additional capacity of 2,10,000 MT per annum was installed and commissioned in the plant at Haldia with effect from 15 November 2012. Further, between July 2010 and March 2012 DPL also acquired for a total cost of USD 33.6 Million 3,36,000 Equity Shares of USD 100 each constituting 70% of the total equity capital of Egyptian Indian Polyester Company S.A.E. ("EIPET"), a company which has undertaken a greenfield plant in Egypt for production of 4,20,000 MT per annum of PET Resin. DPL has invested a further sum of USD 6.3 Million towards additional Share Capital of EIPET. Production commenced in Line-1 of the said plant recently. EIPET expects to achieve mechanical completion of Line-2 of the said plant by end of January, 2014 and the commencement of production shortly. As compared to a total production of 1,92,655 MT of PET Resin and gross turnover of Rs.1,16,011 Lakhs in the financial year 2008-2009, the said business of DPL had a total production of 3,09,026 MT of PET Resin and gross turnover of Rs.2,81,849 Lakhs in the period of nine months ended on 31st December 2013.
- e. DPL has also undertaken the business of providing infrastructure facilities in an area of 1.226 hectares in the IT/ITES Special Economic Zone (SEZ) at Bantala in 24 Parganas (South), West Bengal as a Co-Developer within the meaning of the Special Economic Zones Act, 2005. The first phase of the project for construction of 3,70,000 square feet built up area is under implementation. In the second phase another 3,80,000 square feet of built up area is proposed to be added jointly with other Co-Developers.
- f. The present day nature and size of the aforesaid three businesses of DPL are such that the divergent considerations, factors, financials, risks and rewards applicable to the running, growth and development of such businesses are required to be addressed with greater focus at all levels. Such divergent natures of the said businesses are also such that they are required to be evaluated and looked at separately. At present any prospective investor, strategic partner or other stakeholder interested in investing in equity capital or participating and taking a stake in any other form in any one business has to look at and pay for the other businesses as well since the businesses are largely held in or through one company, i.e. DPL. The said businesses have good potential for funding, running, growth and development thereof as independent businesses.
- g. In view, inter alia, of the aforesaid and as part of an overall business reorganisation plan and in order to take the respective businesses to the next level of growth it is necessary to segregate and realign the businesses and interests of DPL appropriately. In the circumstances it is considered desirable and expedient to reconstruct DPL by (i) demerging the Tea Division, including investments in subsidiaries relating to the same, to DTIL in consideration of

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issue and allotment of shares by DTIL to the shareholders of DPL and (ii) reorganising the IT SEZ Division by transferring the same to Dhunseri Infrastructure Limited (DIL) in consideration of issue and allotment of shares and payment in cash by DIL to DPL itself in the manner and on the terms and conditions stated in this Scheme of Arrangement.

- h. The arrangement will simplify and rationalise the holding structure of various businesses and interests of DPL and result in creation of three more focussed entities, i.e. (a) DPL having interests primarily in petrochemicals business, (b) DTIL having interests primarily in tea business and (c) DIL having interests primarily in the IT SEZ business. Consequent to the arrangement, the said businesses will be capable of independent evaluation. The same will unlock shareholders value and enable independent funding of the said businesses as also suitable strategic, technological and/or financial alliance and participation of appropriate partners and stakeholders in such businesses.
- i. The arrangement will enable the petrochemicals, tea and IT SEZ businesses to be held, carried on and monitored by DPTL, DSL and DIPL respectively with independent management and administrative set-up and greater focus, attention and specialisation. The Scheme will facilitate the business considerations and factors peculiar to the respective businesses to be addressed more effectively and adequately by the respective Companies.
- j. The arrangement will enable the said businesses to be carried on more conveniently and advantageously and will unlock the capacity of each of the businesses to raise and access larger funds for running, growth and expansion thereof on the basis of their individual strengths and operating parameters and independent evaluation.
- k. The arrangement will assist in the potential of the respective businesses being realized more fully and will have beneficial results for the said Companies, their shareholders and all concerned. The Scheme is proposed accordingly.

SCHEME OF ARRANGEMENT

The Hon'ble High Court of Calcutta at Kolkata, vide its Order dated August 7, 2014, has approved the Scheme of Arrangement among Dhunseri Petrochem & Tea Limited, Dhunseri Tea & Industries Limited and their respective shareholders, whereby the demerger of Tea Division of Dhunseri Petrochem & Tea Limited to Dhunseri Tea & Industries Limited with effect from April 01, 2014 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 of the Companies Act, 1956.

The Scheme is operative from the Appointed Date i.e., April 01, 2014. However, it is effective from the date of filing of Form 42 of the Companies (Court) Rules, 1959 of the High Court in relation to the Scheme along with Form INC 28 with the Registrar of Companies, Kolkata, i.e., September 1, 2014.

The text of the Scheme of Arrangement is as under:

PART – I **(Preliminary)**

1. Definitions:

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- i. **“Act”** means the Companies Act, 1956 or the Companies Act, 2013 as in force from time to time. As on the date of approval of this Scheme by the Boards of Directors of DPTL, DTIL and DIL, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956, unless stated otherwise. Upon such provisions of the Companies Act, 1956 standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted;
- ii. **“DPTL”** means Dhunseri Petrochem & Tea Limited, an existing Company within the meaning of the Act and having its registered office at ‘Dhunseri House’, 4A, Woodburn Park, Kolkata 700 020 in the State of West Bengal.
- iii. **“DTIL”** means Dhunseri Tea & Industries Limited (formerly ‘Dhunseri Services Limited’), a Company incorporated under the Act and having its registered office at ‘Dhunseri House’, 4A, Woodburn Park, Kolkata 700 020 in the State of West Bengal.
- iv. **“DIL”** means Dhunseri Infrastructure Limited (formerly ‘Dhanurveda Infrastructure Private Limited’), a Company incorporated under the Act and having its registered office at ‘Dhunseri House’, 4A, Woodburn Park, Kolkata 700 020 in the State of West Bengal.
- v. **“Appointed Date”** means the 1st day of April, 2014.
- vi. **“Tea Division”** means the entire undertaking of DPTL constituted in the business of cultivation, production and marketing of tea and all properties, assets, rights and powers and all debts, liabilities, duties and obligations of DPTL comprised in and/or pertaining to the said Tea Division including:

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- (a) all properties and assets, moveable and immoveable, freehold and leasehold, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date relating to the Tea Division, including all lands comprised in the tea estates in the States of Assam, tea bushes and seedlings, nurseries, clones and other crops and trees whatsoever growing or standing thereon, all other lands, buildings, commercial and residential flats and offices, plant and machinery, electrical installations, vehicles, equipment, furniture, computers, investments, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits, loans and advances and other assets as appearing in the books of account of DPTL in relation to the Tea Division, leases, tenancies and agency of DPTL pertaining to the Tea Division, and all other interests or rights in or arising out of or relating to the Tea Division together with all respective powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, registrations, quotas, patents, copyrights, trademarks, brand names, liberties, easements and advantages, subsidies, grants, taxes, tax credits (including but not limited to credits in respect of sales tax, value added tax, turnover tax, excise duty, service tax, and other indirect taxes), deferred tax benefits and other benefits appertaining to the Tea Division and/or to which DPTL is entitled to in respect of the Tea Division of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the Tea Division;
- (b) all debts, liabilities, duties and obligations of DPTL in relation to the Tea Division as appearing in the books of account of DPTL as on the Appointed Date, including liabilities on account of secured loans, unsecured loans and sundry creditors and bonus, gratuity and other employee benefits pertaining to the Tea Division; and
- (c) all permanent employees of DPTL engaged in or in relation to the Tea Division as on the Effective Date.

vii. **“IT SEZ Division”** means the entire undertaking of DPTL constituted in the business of providing infrastructure facilities in the Information Technology/ Information Technology Enabled Services (IT/ITES) Special Economic Zone at Bantala in 24 Parganas (South), West Bengal and all properties, assets, rights and powers and all debts, liabilities, duties and obligations of DPTL comprised in and/or pertaining to the said IT SEZ Division including:

- (a) all properties and assets, moveable and immoveable, freehold and leasehold, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date relating to the IT SEZ Division, including all lands at Bantala in the State of West Bengal, buildings, commercial and residential flats and offices, plant and machinery, electrical installations, vehicles, equipment, furniture, computers, investments, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits, loans and advances and other assets as appearing in the books of account of DPTL in relation to the IT SEZ Division, leases, tenancies and agency of DPTL pertaining to the IT SEZ Division, and all other interests or rights in or arising out of or relating to the IT SEZ Division together with all respective powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, registrations, quotas, patents, copyrights, trademarks, brand names, liberties, easements and advantages, subsidies, grants, taxes, tax credits (including but not limited to credits in respect of sales tax, value added tax, turnover tax, excise duty, service tax, and other indirect taxes), deferred tax benefits and other benefits appertaining to the IT SEZ Division and/or to which DPTL is entitled to in respect of the IT SEZ Division of whatsoever kind, nature or description held, applied for or as may be obtained

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thereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the IT SEZ Division;

- (b) all debts, liabilities, duties and obligations of DPTL in relation to the IT SEZ Division as appearing in the books of account of DPTL as on the Appointed Date, including liabilities on account of secured loans, unsecured loans and sundry creditors and bonus, gratuity and other employee benefits pertaining to the IT SEZ Division; and
 - (c) all permanent employees of DPTL engaged in or in relation to the IT SEZ Division as on the Effective Date.
- viii. **"Effective Date"** means the date or last of the dates on which certified copies of the order sanctioning this Scheme are filed by DPTL, DTIL and DIL with the Registrar of Companies.
- ix. **"Scheme"** means this Scheme of Arrangement under Sections 391 to 394 of the Act in the present form or with such modification(s) as sanctioned by the Hon'ble High Court at Calcutta.
- x. Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto.

2. Share Capital:

The Authorised, Issued, Subscribed and Paid-up Share Capital of DPTL, DTIL and DIL is as under:

i. DPTL

<u>Authorised Share Capital:</u>	<u>(Rs.)</u>
35,12,20,000 Equity Shares of Rs.10/- each	351,22,00,000/-
<u>Issued, Subscribed and Paid up Share Capital:</u>	
3,50,24,754 Equity Shares of Rs.10/- each fully paid up	35,02,47,540/-
Add Amount paid up on forfeited Equity Shares	81,000/-
	----- 35,03,28,540/-

ii. DTIL

<u>Authorised Share Capital:</u>	<u>(Rs.)</u>
50,000 Equity Shares of Rs.10/- each	5,00,000/-
<u>Issued, Subscribed and Paid up Share Capital:</u>	
50,000 Equity Shares of Rs.10/- each fully paid up	5,00,000/-

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iii. DIL

<u>Authorised Share Capital:</u>	<u>(Rs.)</u>
50,000 Equity Shares of Rs.10/- each	5,00,000/-
<u>Issued, Subscribed and Paid up Share Capital:</u>	
50,000 Equity Shares of Rs.10/- each fully paid up	5,00,000/-

PART – II
(Demerger of Tea Division)

4. Transfer of Tea Division of DPTL:

- 4.1 With effect from the Appointed Date, the Tea Division of DPTL shall stand demerged to DTIL. Accordingly, the Tea Division of DPTL shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act and subject to the provisions of the Scheme in relation to the mode and transfer of vesting, stand transferred to and vest in or be deemed to be transferred to and vested in DTIL, as a going concern with effect from the Appointed Date for all the estate and interest of DPTL therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.
- 4.2 It is expressly provided that in respect of such of the said assets of the said Tea Division as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same shall be so transferred by DPTL and shall become the property of DTIL accordingly as an integral part of the Tea Division transferred to DTIL, without requiring any deed or instrument of conveyance for the same.
- 4.3 In respect of such of the assets of the Tea Division other than those referred to in Clause 4.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in DTIL pursuant to an order passed under the provisions of Section 394 of the Act.
- 4.4 All debts, liabilities, duties and obligations of DPTL relating to the Tea Division as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of DPTL relating to the Tea Division which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall also be transferred to DTIL, without any further act or deed, pursuant to an order passed under the provisions of Section 394 of the Act, so as to become the debts, liabilities, duties and obligations of DTIL.
- 4.5 The transfer and vesting of the Tea Division of DPTL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/ or encumbrances shall be confined only to the relative assets of DPTL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in DTIL and no such charges, mortgages, and/ or encumbrances shall extend over or apply to any other asset(s) of DTIL. Any reference in any security documents or arrangements (to which DPTL is a party) to any assets of DPTL shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of DTIL. Similarly, DTIL shall not be required to create any additional security over assets of Tea Division of DPTL acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges, mortgages, and/ or encumbrances

in respect of such indebtedness of DTIL shall not extend or be deemed to extend or apply to the assets so acquired by DTIL.

- 4.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates obtained by DPTL for the operations of the Tea Division and/or to which DPTL is entitled to in relation to the Tea Division in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to and vest in DTIL, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of DTIL. Since the Tea Division will be transferred to and vested in DTIL as a going concern without any break or interruption in the operation thereof, DTIL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates and to carry on and continue the operations of the Tea Division on the basis of the same upon this Scheme becoming effective. Further, all benefits, including, under Income Tax, Excise (including Modvat/Cenvat), Sales Tax etc to which DPTL is entitled in relation to the Tea Division in terms of the various Statutes and / or Schemes of Union and State Governments shall be available to and vest in DTIL upon this Scheme becoming effective.

5. Legal Proceedings:

All legal or other proceedings by or against DPTL and relating to the Tea Division of DPTL shall be continued and enforced by or against DTIL only. If proceedings are taken against DPTL, DPTL will defend on notice or as per advice of DTIL at the costs of DTIL and DTIL will indemnify and keep indemnified DPTL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

6. Contracts and Deeds:

- 6.1 Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, engagements and other instruments of whatsoever nature relating to the Tea Division to which DPTL is a party or to the benefit of which DPTL may be eligible, and which have not lapsed and are subsisting on the Effective Date shall remain in full force and effect against or in favour of DTIL as the case may be, and may be enforced by or against DTIL as fully and effectually as if, instead of DPTL, DTIL had been a party thereto.
- 6.2 DPTL and/or DTIL shall, if and to the extent required by law, enter into and / or issue and / or execute deeds, writings or confirmations, or enter into any Tripartite Arrangement, confirmation or novation to give formal effect to the provisions of this Clause.

7. Saving of Concluded Transactions:

The transfer and vesting of the properties and liabilities of the Tea Division under Clause 4 above, the continuance of the proceedings by or against DTIL under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above shall not affect any transaction or proceeding relating to the Tea Division already completed by DPTL on or before the Effective Date to the end and intent that DTIL accepts all acts, deeds and things relating to the Tea Division done and executed by and/or on behalf of DPTL as acts, deeds and things done and executed by and on behalf of DTIL.

8. Employees:

On and from the Effective Date:

- 8.1 DTIL undertakes to engage all the employees of DPTL engaged in the Tea Division on the Effective Date on the same terms and conditions on which they are engaged by DPTL without treating it as a break, discontinuance or interruption of service on the said date as a result of the transfer of the Tea Division to DTIL.

- 8.2 Accordingly, the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes, including for the purpose of payment of any retrenchment compensation and other terminal benefits, will be reckoned from the date of their respective appointments with DPTL.
- 8.3 The accumulated balances, if any, standing to the credit of the employees of the Tea Division in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by DTIL and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by DTIL. Pending the transfer as aforesaid, the dues of the employees of the Tea Division relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.
- 9. Business in trust for DTIL:**
With effect from the Appointed Date and upto and including the Effective Date:
- 9.1 DPTL undertakes to carry on the business of the Tea Division in the ordinary course of business and DPTL shall be deemed to have carried on and to be carrying on all business and activities relating to the Tea Division for and on account of and in trust for DTIL.
- 9.2 All profits accruing to DPTL (including taxes paid thereon) or losses arising or incurred by DPTL in relation to the Tea Division for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits (including taxes paid) or losses, as the case may be of DTIL.
- 9.3 DPTL shall be deemed to have held and stood possessed of the properties to be transferred to DTIL for and on account of and in trust for DTIL and, accordingly, DPTL shall not (without the prior written consent of DTIL) alienate, charge or otherwise deal with or dispose of the Tea Division or any part thereof except in the usual course of business.
- 10. Consideration | Issue of Shares by DTIL:**
- 10.1 Upon the Scheme coming into effect and without further application, act or deed, DTIL shall, in consideration of the demerger and transfer of the Tea Division, issue and allot to the members of DPTL holding fully paid up Equity Shares in DPTL and whose names appear in the Register of Members of DPTL on such date ("Record Date") as the Board of Directors of DPTL shall determine in consultation with DTIL, Equity Shares of Rs.10/- each in DTIL, credited as fully paid up with rights attached thereto as hereinafter mentioned in the following entitlement ratio:
- 1 Equity Share(s) of Rs.10/- each in DTIL credited as fully paid up for every 5 Equity Share(s) of Rs.10/- each fully paid-up held by them in the capital of DPTL.
- 10.2 All the Equity Shares to be issued and allotted by DTIL to the Equity Shareholders of DPTL under this Scheme shall rank pari passu in all respects with the existing Equity Shares of DTIL. Further such Equity Shares shall pursuant to circular issued by the Securities Exchange Board of India (SEBI) on 4 February 2013 bearing No.CIR/CFD/DIL/05/2013 and subject to compliance with requisite formalities be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Equity Shares of DPTL are listed and/or admitted to trading.

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- 10.3 No fractional shares shall be issued by DTIL in respect of the fractional entitlements, if any, to which the members of DPTL may be entitled on issue and allotment of Equity Shares in DTIL as above. The Board of Directors of DTIL or a committee thereof shall consolidate all such fractional entitlements, and issue and allot the Equity Shares in lieu thereof to a Director and / or Officer(s) of DTIL on the express understanding that such Director and / or Officer(s) to whom such new Equity Shares are allotted shall sell the same in the market and pay to DTIL the net sale proceeds thereof, whereupon DTIL shall distribute such net sale proceeds to the members of DPTL in proportion to their fractional entitlements.
- 10.4 In respect of the shareholding of the members in DPTL held in the dematerialised form, the Equity Shares in DTIL shall, subject to applicable regulations, also be issued to them in the dematerialised form pursuant to clause 10.1 above with such shares being credited to the existing depository accounts of the members of DPTL entitled thereto, as per records maintained by the National Securities Depository Limited and / or Central Depository Services (India) Limited on the Record Date for Demerger Shares.
- 10.5 In respect of the shareholding of the members in DPTL held in the certificate form, the Equity Shares in DTIL shall be issued to such members in certificate form. Members of DPTL desirous of receiving the new shares in DTIL in dematerialised form should have their shareholding in DPTL dematerialised on or before the Record Date for Demerger Shares.
- 10.6 Upon the Scheme becoming effective, the Authorised Share Capital of DTIL shall be increased to Rs.7,50,00,000 divided into 75,00,000 Equity Shares of Rs.10/- each and Clause V of the Memorandum of Association of DTIL shall be altered accordingly.
- 10.7 DTIL shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Government of India and the Reserve Bank of India and other Appropriate Authorities concerned for the issue and allotment of Equity Shares in DTIL in terms hereof to the non-resident members of DPTL.
- 10.8 The Equity Shares in DTIL allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 10.9 Apart from cancellation of existing Equity Shares of DTIL in terms of clause 11 herein, there shall be no change in the shareholding pattern or control in DTIL between the Record Date and the listing which may affect the status of the approval of the stock exchanges to this Scheme.
- 11. Cancellation of Existing Shares of DTIL:**
All existing shares of DTIL, i.e. 50,000 Equity Shares of Rs.10/- each shall stand cancelled, without any further act or deed, upon the new Equity Shares being issued by DTIL to the shareholders of DPTL as on the Record Date in terms of clause 10.1 of this Scheme and until such cancellation shall continue to be held by DPTL.
- 12. Accounting:**
- 12.1 The assets and liabilities of the Tea Division shall be transferred to DTIL and incorporated in the books of account of DTIL at their values as appearing in the books of account of DPTL as on the Appointed Date, viz 1 April 2014, with change in such values consequent to revaluation being ignored. An indicative Statement thereof as appearing from the books of account of DPTL as on 31 December 2013 is set out in Schedule I hereto.
- 12.2 The difference between the value of the assets and liabilities of the Tea Division thereby recorded in the books of account of DTIL, as reduced by the aggregate face value of the Equity Shares issued and allotted by DTIL

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in terms of clause 10 above shall be adjusted in General Reserves in the books of account of DTIL or dealt with in any other manner, as may be deemed fit by the Board of Directors of DTIL or Committee thereof.

- 12.3 In the books of account of DPTL the difference between the assets and liabilities of the Tea Division, shall be adjusted against the General Reserves of DPTL.
- 12.4 Subject to the aforesaid, the Board of Directors of DPTL and DTIL shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the demerger in the respective books of account of the said Companies.
- 13. Post Scheme conduct of business:**
Even after this Scheme becomes operative, DTIL shall be entitled to operate all Bank Accounts and realise all monies and complete and enforce all pending contracts and transactions relating to the Tea Division in the name of DPTL and in so far as may be necessary until the transfer of rights and obligations of the said Tea Division to DTIL under this Scheme is formally accepted by the parties concerned.

PART – III

(Reorganisation of IT SEZ Division)

14. Transfer of IT SEZ Division of DPTL:

- 14.1 With effect from the Appointed Date, the IT SEZ Division of DPTL shall stand reorganised in DIL. Accordingly, the IT SEZ Division of DPTL shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act and subject to the provisions of the Scheme in relation to the mode and transfer of vesting, stand transferred to and vest in or be deemed to be transferred to and vested in DIL, as a going concern with effect from the Appointed Date for all the estate and interest of DPTL therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.
- 14.2 It is expressly provided that in respect of such of the said assets of the said IT SEZ Division as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same shall be so transferred by DPTL and shall become the property of DIL accordingly as an integral part of the IT SEZ Division transferred to DIL, without requiring any deed or instrument of conveyance for the same.
- 14.3 In respect of such of the assets of the IT SEZ Division other than those referred to in Clause 14.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in DIL pursuant to an order passed under the provisions of Section 394 of the Act.
- 14.4 All debts, liabilities, duties and obligations of DPTL relating to the IT SEZ Division as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of DPTL relating to the IT SEZ Division which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall also be transferred to DIL, without any further act or deed, pursuant to an order passed under the provisions of Section 394 of the Act, so as to become the debts, liabilities, duties and obligations of DIL.
- 14.5 The transfer and vesting of the IT SEZ Division of DPTL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/ or encumbrances shall be confined only to the relative assets of DPTL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in DIL and

no such charges, mortgages, and/ or encumbrances shall extend over or apply to any other asset(s) of DIL. Any reference in any security documents or arrangements (to which DPTL is a party) to any assets of DPTL shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of DIL. Similarly, DIL shall not be required to create any additional security over assets of IT SEZ Division of DPTL acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges, mortgages, and/ or encumbrances in respect of such indebtedness of DIL shall not extend or be deemed to extend or apply to the assets so acquired by DIL.

- 14.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates obtained by DPTL for the operations of the IT SEZ Division and/or to which DPTL is entitled to in relation to the IT SEZ Division in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to and vest in DIL, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of DIL. Since the IT SEZ Division will be transferred to and vested in DIL as a going concern without any break or interruption in the operation thereof, DIL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates and to carry on and continue the operations of the IT SEZ Division on the basis of the same upon this Scheme becoming effective. Further, all benefits, including, under Income Tax, Excise (including Modvat/Cenvat), Sales Tax etc to which DPTL is entitled in relation to the IT SEZ Division in terms of the various Statutes and / or Schemes of Union and State Governments shall be available to and vest in DIL upon this Scheme becoming effective. Transfer of immovable property and the document relating thereto in a Special Economic Zone is exempt, inter alia, from payment of stamp duty. The transfer herein of immovable property at Bantala comprised in the SEZ Division of DPTL to DIL in terms of this Scheme shall be entitled to exemption from, payment of stamp duty accordingly.

15. Legal Proceedings:

All legal or other proceedings by or against DPTL and relating to the IT SEZ Division of DPTL shall be continued and enforced by or against DIL only. If proceedings are taken against DPTL, DPTL will defend on notice or as per advice of DIL at the costs of DIL and DIL will indemnify and keep indemnified DPTL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

16. Contracts and Deeds:

- 16.1 Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, engagements and other instruments of whatsoever nature relating to the IT SEZ Division to which DPTL is a party or to the benefit of which DPTL may be eligible, and which have not lapsed and are subsisting on the Effective Date shall remain in full force and effect against or in favour of DIL as the case may be, and may be enforced by or against DIL as fully and effectually as if, instead of DPTL, DIL had been a party thereto.
- 16.2 DPTL and/or DIL shall, if and to the extent required by law, enter into and / or issue and / or execute deeds, writings or confirmations, or enter into any Tripartite Arrangement, confirmation or novation to give formal effect to the provisions of this Clause.

17. Saving of Concluded Transactions:

The transfer and vesting of the properties and liabilities of the IT SEZ Division under Clause 14 above, the continuance of the proceedings by or against DIL under Clause 15 above and the effectiveness of contracts and deeds under Clause 16 above shall not affect any transaction or proceeding relating to the IT SEZ Division already completed by DPTL on or before the Effective Date to the end and intent that DIL accepts all acts, deeds and things relating to the IT SEZ Division done and executed by and/or on behalf of DPTL as acts, deeds and things done and executed by and on behalf of DIL.

18. Employees:

On and from the Effective Date:

- 18.1 DIL undertakes to engage all the employees of DPTL engaged in the IT SEZ Division on the Effective Date on the same terms and conditions on which they are engaged by DPTL without treating it as a break, discontinuance or interruption of service on the said date as a result of the transfer of the IT SEZ Division to DIL.
- 18.2 Accordingly, the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes, including for the purpose of payment of any retrenchment compensation and other terminal benefits, will be reckoned from the date of their respective appointments with DPTL.
- 18.3 The accumulated balances, if any, standing to the credit of the employees of the IT SEZ Division in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by DIL and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by DIL. Pending the transfer as aforesaid, the dues of the employees of the IT SEZ Division relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

19. Business in trust for DIL:

With effect from the Appointed Date and upto and including the Effective Date:

- 19.1 DPTL undertakes to carry on the business of the IT SEZ Division in the ordinary course of business and DPTL shall be deemed to have carried on and to be carrying on all business and activities relating to the IT SEZ Division for and on account of and in trust for DIL.
- 19.2 All profits accruing to DPTL (including taxes paid thereon) or losses arising or incurred by DPTL in relation to the IT SEZ Division for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits (including taxes paid) or losses, as the case may be of DIL.
- 19.3 DPTL shall be deemed to have held and stood possessed of the properties to be transferred to DIL for and on account of and in trust for DIL and, accordingly, DPTL shall not (without the prior written consent of DIL) alienate, charge or otherwise deal with or dispose of the IT SEZ Division or any part thereof except in the usual course of business.

20. Consideration | Issue of Shares and Payment by DIL:

- 20.1 Upon the Scheme coming into effect and without further application, act or deed, DIL shall, in consideration of the transfer of the IT SEZ Division, issue and allot to DPTL 50,00,000 Equity Shares of Rs.10/- each in DIL credited as fully paid up in DIL. Such Equity Shares to be issued and allotted by DIL to DPTL under this Scheme shall rank pari passu in all respects with the existing Equity Shares of DIL.
- 20.2 The balance consideration, being the net asset value (book value of assets less liabilities) of the IT SEZ Division as on the Appointed Date as reduced by the aggregate face value of the shares to be issued as per clause 20.1 above shall be paid in cash by DIL to DPTL within a period of five years from the Effective Date in such manner as shall be mutually agreed between DIL and DPTL.

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- 20.3 Upon the Scheme becoming effective, the Authorised Share Capital of DIL shall be increased to Rs5,05,00,000 divided into 50,50,000 Equity Shares of Rs.10/- each and Clause V of the Memorandum of Association of DIL shall be altered accordingly.

21. Accounting:

- 21.1 The assets and liabilities of the IT SEZ Division shall be transferred to DIL and incorporated in the books of account of DIL at their values as appearing in the books of account of DPTL as on the Appointed Date, viz 1 April 2014. An indicative Statement of assets and liabilities of the IT SEZ Division as appearing in the books of account of DPTL as on 31 December 2013 is set out in Schedule II hereto.
- 21.2 Subject to the aforesaid, the Board of Directors of DPTL and DIL shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the transfer in the respective books of account of the said Companies.

22. Post Scheme conduct of business:

Even after this Scheme becomes operative, DIL shall be entitled to operate all Bank Accounts and realise all monies and complete and enforce all pending contracts and transactions relating to the IT SEZ Division in the name of DPTL and in so far as may be necessary until the transfer of rights and obligations of the said IT SEZ Division to DIL under this Scheme is formally accepted by the parties concerned.

PART – IV

(General/ Miscellaneous Provisions)

23. Remaining Business:

Save and except the Tea Division and IT SEZ Division of DPTL and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the other business, undertaking, assets, and liabilities of DPTL which shall continue to belong to and be vested in and be managed by DPTL.

24. Applications:

DPTL, DTIL and DIL shall, with all reasonable dispatch, make necessary applications under Sections 391 to 394 of the Act, to the Hon'ble High Court at Calcutta, for sanction and carrying out of the Scheme and apply for and obtain such other approvals, as required by law. Any such application shall, upon constitution of the National Company Law Tribunal under the Companies Act, 2013 be pursued before the National Company Law Tribunal, if so required. In such event references in this Scheme to the Hon'ble High Court(s) shall be construed as references to the National Company Law Tribunal as the context may require. DPTL, DTIL and DIL shall also apply for such other approvals as may be necessary in law, if any, for bringing the Scheme into effect. Further, DPTL, DTIL and DIL shall be entitled to take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

25. Approvals and Modifications:

DPTL, DTIL and DIL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

- 25.1 To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble High Court(s) and / or any authorities under law may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.

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- 25.2 To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things as is contemplated or required to be given by them in terms of this Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.

Without prejudice to the generality of the foregoing DPTL, DTIL and DIL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

26. Scheme Conditional Upon:

The Scheme is conditional upon and subject to:

- 26.1 Approval of the Scheme by the requisite majorities of the members of DPTL, DTIL and DIL; and
- 26.2 Sanction of the Scheme by the Hon'ble High Court at Calcutta.

Accordingly, the Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the date or last of the dates on which certified copies of the order of the Hon'ble High Court at Calcutta sanctioning this Scheme are filed with the Registrar of Companies.

27. Costs, Charges and Expenses:

All costs, charges and expenses, in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto upto the stage of sanction of this Scheme, shall be borne and paid by DPTL. Subsequent to the said stage or in the event the Scheme does not take effect or stands withdrawn for any reason whatsoever, each Company shall pay and bear their own costs.

28. Change of Name of DPTL:

Consequent to the arrangement, the name of DPTL shall be changed to "Dhunseri Petrochem Limited". DPTL shall take necessary steps to give effect to such change of name. In the event, the aforesaid name is not made available for adoption under the Act, DPTL shall be at liberty to adopt such other suitable name reflecting its business consequent to the Scheme as may be made available under the Act.

29. Residual Provisions:

- 29.1 On the approval of the Scheme by the members of DPTL, DTIL and DIL pursuant to Section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 23, 81(1-A), 94 and 100 of the Act or any other provisions of the Act to the extent the same may be considered applicable.
- 29.2 DPTL, DTIL and DIL are expressly permitted to file and/or revise their Income Tax, Service Tax, Excise and other statutory returns, consequent to the scheme becoming effective. DPTL, DTIL and DIL are expressly permitted to amend tax deducted at source certificates or other statutory certificates and shall have the right to claim refunds, advance tax credits, set off, adjustments etcetera relating to their respective incomes and/or transactions from the Appointed Date. DTIL and DIL shall be entitled to claim credit for taxes and duties paid pertaining to the respective divisions transferred to them in terms of this Scheme notwithstanding that the certificate, challan or other documents for payment of such taxes and duties are in the name of DPTL.
- 29.3 The demerger and transfer and vesting of the Tea Division of DPTL to DTIL under this Scheme has been proposed in compliance with the provisions of Section 2(19AA) of the Income-Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a

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later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Dhunseri Tea & Industries Limited
4A, Woodburn Park
Kolkata – 700 020

Dear Sirs,

Statement of Possible Tax Benefits available to Dhunseri Tea & Industries Limited ('the Company') and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company under the Income Tax Act, 1961 (as amended by Finance Act, 2014) presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957, presently in force in India, Several of these benefits are dependent on the Company or its shareholders fulfilling the Conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- i. the Company or its shareholders will continue to obtain these benefits in future; or
- ii. the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

For **Damle Dhandhanania & Co**
Firm Registration Number. 325361E
Chartered Accountants

Dilip .S .Damle
Partner
Membership No.: 051976

Place: Kolkata
Date: November 19, 2014

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO ORIENT CEMENT LIMITED ('the COMPANY') AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (HEREINAFTER REFERRED TO AS THE IT ACT):

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the tax laws. Hence, the ability of the Company or its shareholders to avail the tax benefits is dependent upon fulfilling such conditions as may be prescribed under the relevant sections of the IT Act.

I. BENEFITS AVAILABLE TO THE COMPANY

1. Subject to compliance with certain conditions laid down in section 32 of the IT Act, the Company will be entitled to a deduction for depreciation:

In respect of buildings, machinery, plant or furniture being tangible assets (at the rates prescribed under Income Tax Rules, 1962 ('the Rules'));

In respect of intangible assets being in the nature of knowhow, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired after 31st day of March, 1998 (at the rates prescribed under the Rules);

In respect of new plant or machinery which has been acquired and installed after 31st March, 2005 by a tax payer engaged in the business of manufacture or production of any article or thing, additional depreciation @ 20% of the actual cost of such new plant or machinery will be allowed as deduction.

2. Subject to compliance with certain conditions laid down in section 35(1)(iv) of the IT Act, the Company is entitled to claim as deduction the whole of capital expenditure, other than the expenditure incurred on the acquisition of any land, incurred on scientific research related to the business of the Company.
3. As per section 33AB, the Company is eligible for the deduction for the amount deposited with the National bank maintained by the assessee with that Bank in accordance with, and for the purpose specified in the scheme.
4. As per section 35DD, the Company is eligible for the expenditure incurred wholly and exclusively for the purpose of amalgamation and demerger of an undertaking an amount equal to one-fifth of such expenditure for each of the successive five previous years.
5. As per section 35DDA, the Company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement of an amount equal to 1/5th of such expenses every year for a period of five years subject to conditions specified in that section.
6. The Company is eligible for amortization of preliminary expenses being the expenditure on public issue of shares under section 35D of the IT Act, subject to the fulfillment of the prescribed conditions and limits specified in the section. The said deduction is an amount equal to one-fifth of the said expenditure for each of the five successive previous years beginning from the year in which the business commences.

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7. As per Section 80G, the Company will be eligible for deduction of an amount as specified in the Section in respect of donations to certain funds, charitable institutions, etc.
8. As per Section 80GGB, the Company will be eligible for deduction of any sum contributed by it to any political party or an electoral trust.
9. As per Section 80IE, the Company will be eligible for deduction of 100% any profit and gains derived by the undertaking for ten consecutive assessment years commencing with the initial assessment years for the undertaking in North –Eastern States subject to fulfillment of certain conditions laid down in this section.
10. In case of loss under the head 'Profit and Gains from Business or Profession', it can be set-off against other income and the excess loss after set-off can be carried forward for set-off - against business income of the next eight Assessment Years.
11. As per the provisions of Section 72A, the Company is entitled to carry forward and set off of accumulated loss and unabsorbed depreciation allowance under amalgamation or demerger subject to fulfillment of certain conditions.
12. Minimum Alternate Tax ('MAT') is the tax payable by a company under section 115JB of the IT Act. The Income partly assessable as Agricultural income will be excluded for the purpose of MAT calculation. MAT is payable by a company when the income-tax payable on the total income as computed under the IT Act is less than 18.5% (plus applicable Surcharge + Education and Secondary & Higher Education cess) of its book profit computed as per the method specified under section 115JB of the Act. MAT credit arises in the year in which the Company is required to pay tax under section 115JB of the IT Act (in case the same is higher than the tax under normal provisions of the IT Act). MAT credit is the difference between tax computed under section 115JB of the IT Act and the tax computed as per the normal provisions of the IT Act. MAT credit can be carried forward for 10 years immediately succeeding the assessment year in which the relevant MAT credit arises. The MAT credit can be utilized in the year in which the tax payable under the normal provisions of the IT Act is higher than the tax payable under section 115JB of the IT Act. The utilisation of the same is available to the extent of the difference between the tax payable under the normal provisions of the IT Act and the tax payable under section 115JB of the IT Act.
13. As per section 71 read with section 74 of the IT Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
14. As per Section 71 read with Section 74, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, is allowed to be carried forward and set-off against subsequent years long term capital gains for subsequent eight assessment years.
15. The Finance Bill 2013 has made the following key amendments:
 - a. Tax on royalty and fees for technical services earned by non resident taxpayers for agreements entered after 31 March 1976 increased 25% under Section 115A
 - b. Submission of tax residency certificate a necessary but not a sufficient condition for claiming benefits under tax treaty.

- c. Rate of surcharge on domestic companies with income exceeding INR 100 million increased from 5% to 10%
- d. Additional investment allowance for manufacturing companies investing INR 1,000 million in specified new assets between 1 April 2013 and 31 March 2015:
 - i. 15% of the actual cost of specified new assets acquired between 1 April 2013 and 31 March 2014 in assessment year 2014-15; and
 - ii. 15% of the actual cost of specified new assets acquired between 1 April 2013 and 31 March 2015 in assessment year 2015-16, as reduced by the amount of deduction allowed, if any in assessment year 2014-15.

II. BENEFITS AVAILABLE TO THE COMPANY AND PROSPECTIVE RESIDENT SHAREHOLDERS OTHER THAN DOMESTIC COMPANIES

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

- 1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company/Individual), if the same is subject to dividend distribution tax as referred to in section 115-0 of the IT Act, as per the provisions of section 10(34) of the IT Act.
- 2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer it would result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale/transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of securities) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

INCOME FROM CAPITAL GAINS

- 2.1 Section 48 of the IT Act, categorises capital assets into two categories viz. Long Term Capital Assets and Short Term Capital Assets. If securities (such as shares, units etc) are held for a period of more than 12 months it is termed as a long term capital asset, otherwise as a short term capital asset. Any profit or loss arising on account of sale/transfer of such long term capital assets are termed as long term capital gains / loss and profit or loss arising on account of sale/transfer of short term capital assets is considered as short term capital gains / loss.
- 2.2 Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, the second proviso to section 48 of the IT Act, in respect of long term capital gains arising from transfer of shares of Indian Company, offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed annually.

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- 2.3 Section 10(38) of the IT Act, exempts the long term capital gains arising on sale of equity shares in the Company where the sale transaction has been entered on a recognized stock exchange of India and has been liable to securities transaction tax. However, the income by way of long-term capital gain of the company is taken into account in computing the book profit and income tax payable under section 115JB of the IT Act.
- 2.4 The provisions of section 112 of the IT Act, permit taxing long term capital gains [which are not exempt under Section 10(38) of the IT Act] arising on transfer of shares in the Company at a rate of 20 percent (plus applicable surcharge and education cess) after considering indexation benefit. However, the share holder may opt for the tax on long term gains computed at the rate of 10 percent (plus applicable surcharge and education cess), if the tax on long term capital gains resulting on transfer of listed securities calculated at the rate of 20 percent (after indexation benefit) exceeds the tax on long term gains computed at the rate of 10 percent without considering indexation benefit.
- 2.5 The provisions of section 111A of the IT Act, prescribes for taxing the short-term capital gains arising from sale of equity shares in a Company at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
- 2.6 Provisions of section 54EC of the IT Act exempts long-term capital gains [which are not exempt under section 10(38) of the IT Act] from being taxed to the extent such capital gains are invested in long term specified assets within a period of 6 months after the date of such transfer (presently, bonds issued by the National Highways Authority of India or the Rural Electrification Corporation Limited have been specified). Where only a part of the capital gains is so invested, the exemption is proportionately available. However, the investment in the specified assets is limited to Rs 5 million. The minimum holding period in the prescribed investment to remain eligible for the exemption is 3 years.
- 2.7 Subject to the conditions specified under the provisions of section 54F of the IT Act, long- term capital gains [which are not exempt from tax under section 10(38) of the IT Act] arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property, within a period of 3 years after the date of such transfer.
- 2.8 In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.10 percent of the value payable by both the buyer and the seller. Further, the non-delivery based sale transactions are liable to tax @ 0.025 percent of the value payable by the seller.
3. Under section 36(1)(xv) of the IT. Act, the STT paid in respect of taxable securities transactions entered into in the course of business is allowable as deduction if income is computed under the head 'Profits or Gains of Business or Profession'

III. BENEFITS AVAILABLE TO CORPORATE RESIDENT SHAREHOLDERS (DOMESTIC COMPANIES)

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company/Individual), if the same is subject to dividend distribution tax as referred to in section 115-0 of the IT Act, as per the provisions of section 10(34) of the IT Act.
2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer it would result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale /transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of securities) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

INCOME FROM CAPITAL GAINS

- 2.1 Section 48 of the IT Act, categorises capital assets into two categories viz. Long Term Capital Assets and Short Term Capital Assets. If securities (such as shares, units etc) are held for a period of more than 12 months it is termed as a long term capital asset, otherwise as a short term capital asset. Any profit or loss arising on account of sale/transfer of such long term capital assets are termed as long term capital gains / loss and profit or loss arising on account of sale/transfer of short term capital assets is considered as short term capital gains / loss.
- 2.2 Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, the second proviso to section 48 of the IT Act, in respect of long term capital gains arising from transfer of shares of Indian Company, offers a benefit by permitting substitution of cost of acquisition /improvement with the indexed cost of acquisition /improvement, which adjusts the cost of acquisition / improvement by a cost inflation index, as prescribed annually.
- 2.3 Section 10(38) of the IT Act, exempt the long term capital gains arising on sale of equity shares in the Company where the sale transaction has been entered into on a recognized stock exchange of India and has been liable to securities transaction tax, However, the income by way of long-term capital gain of the company is taken into account in computing the book profit and income tax payable under section 115JB of the IT Act.
- 2.4 The provisions of section 112 of the IT Act, permit taxing long term capital gains [which are not exempt under Section 10(38) of the IT Act] arising on transfer of shares in the Company at a rate of 20 percent (plus applicable surcharge and education cess) after considering indexation benefit. However, the share holder may opt for the tax on long term gains computed at the rate of 10 percent (plus applicable surcharge and education cess), if the tax on long term capital gains resulting on transfer of listed securities calculated at the rate of 20 percent (after

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indexation benefit) exceeds the tax on long term gains computed at the rate of 10 percent without considering indexation benefit.

- 2.5 The provisions of section 111A of the IT Act, prescribe for taxing the short-term capital gains arising from sale of equity share in a Company at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
- 2.6 Provisions of section 54EC of the IT Act exempts long-term capital gains (which are not exempt under section 10(38) of the IT Act) from being taxed to the extent such capital gains are invested in long term specified assets within a period of 6 months after the date of such transfer (presently, bonds issued by the National Highways Authority of India or the Rural Electrification Corporation Limited have been specified). Where only a part of the capital gains is so invested, the exemption is proportionately available. However, the investment in specified asset is limited to Rs 5 million. The minimum holding period in the prescribed investments to remain eligible for the exemption is 3 years.
- 2.7 In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.10 percent of the value payable by both the buyer and the seller. Further, the non-delivery based sale transactions are liable to tax @ 0.025 percent of the value payable by the seller.

IV. BENEFITS AVAILABLE TO MUTUAL FUNDS

1. Provisions of section 10(23D) of the IT Act exempt the Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, from income tax on their income.

V. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS')

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company /Individual), if the same is subject to dividend distribution tax as referred to in section 115-0 of the IT Act, as per the provisions of section 10(34) of the IT Act.
2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer, it would result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale/transfer of securities or units purchased up to three months prior

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to the record date and sold within three months after such date (in case of units) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

INCOME FROM CAPITAL GAINS

- 2.1 Provisions of section 115AD of the IT Act, provides for taxing income of FIs arising from securities [other than income by way of dividends referred to in section 115(0) of the IT Act] at concessional rates, as follows:

<u>Nature of income</u>	<u>Rate of tax (%)</u>
Income in respect of securities (other than units referred to in section 115AB of the Act)	20
Long Term capital gains	10
Short term capital gains (other than short term capital gain referred to in section 111A of the Act)	30

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under section 48 of the IT Act are not available to the FIs.

Provisions of section 111A of the IT Act, prescribes for taxing the short-term capital gains arising from sale of equity share in the Company at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.

Provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FI would prevail over the provisions of the IT Act, as per section 90(2) of the Act; to the extent they are more beneficial to the FI.

Provisions of section 10(38) of the IT Act, exempt from tax the long term capital gains arising on sale of equity shares in the Company where the sale transaction has been entered on a recognized stock exchange of India and is liable to securities transaction tax.

- 2.5 Provisions of section 54EC of the IT Act exempts long-term capital gains [which are not exempt under section 10(38) of the IT Act] from being taxed to the extent such capital gains are invested in long term specified assets within a period of 6 months after the date of the transfer (presently, bonds issued by the National Highways Authority of India or the Rural Electrification Corporation Limited have been specified). Where only a part of the capital gains is so invested, the exemption is proportionately available. However, the investment in specified asset is limited to Rs 5 million. The minimum holding period prescribed to remain eligible for the exemption is 3 years.

- 2.6 In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.125 percent of the value payable by both buyer and seller (tax rate of 0.1 % is made applicable with effect from 01.07.2012). (The non-delivery based sale transactions are liable to tax @ 0.025 percent of the value payable by the seller).

VI. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/FUNDS

1. Provisions of section 10(23FB) of the IT Act, exempts any income of Venture Capital companies/Funds (set up to raise funds for investment in venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, subject to conditions specified therein.

VII. BENEFITS AVAILABLE TO NON-RESIDENTS / NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIS AND FOREIGN VENTURE CAPITAL INVESTORS)

DIVIDENDS EXEMPT UNDER SECTION 10(34) OF THE IT ACT

1. Any income by way of dividends (declared, distributed or paid on or after 1 April 2003) by a domestic company is exempt in the hands of the shareholders (Company/Individual), if the same is subject to dividend distribution tax as referred to in section 115-0 of the IT Act, as per the provisions of section 10(34) of the IT Act.
2. The income chargeable under the head "Capital gains" shall be computed by deducting from the full value of consideration received on sale of securities or units, the cost of acquisition of the said securities or units and the expenditure incurred wholly and exclusively in connection with such sale. In case the full value of consideration is less than the cost of the acquisition and the expenditure incurred wholly and exclusively in connection with such transfer than it will result in a capital loss. However, section 94(7) of the IT Act provides that the capital loss arising on account of sale/transfer of securities or units purchased up to three months prior to the record date and sold within three months after such date (in case of securities) or within a period of nine months after such date (in case of units), would be disallowed to the extent to which dividend on such securities or units are claimed as exempt by the shareholder.

INCOME FROM CAPITAL GAINS

- 2.1 In terms of first proviso to section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefit will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of shares.
- 2.2 Provisions of section 10(38) of the IT Act, exempt the long term capital gains arising on sale of equity shares in the Company where the sale transaction has been entered into on a recognized stock exchange of India and has been liable to securities transaction tax. However, the income by way of long-term capital gain of the company is

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taken into account in computing the book profit and income tax payable under section 115JB of the IT Act.

- 2.3 The provisions of section 112 of the IT Act, permit taxing long term capital gains [which are not exempt under Section 10(38) of the IT Act] arising on transfer of shares in the Company at a rate of 20 percent (plus applicable surcharge and education cess) after considering indexation benefit. However, the share holder may opt for the tax on long term gains computed at the rate of 10 percent (plus applicable surcharge and education cess), if the tax on indexed long term capital gains resulting on transfer of listed securities calculated at the rate of 20 percent (after indexation benefit) exceeds the tax on long term gains computed at the rate of 10 percent without considering indexation benefit.
- 2.4 The provisions of section 111A of the IT Act, prescribes for taxing the short-term capital gains arising from sale of equity share in a Company at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short term capital gains arising from transfer of shares in a company other than those covered by Section 111A of the IT Act would be subject to tax as calculated under the normal provisions of the IT Act.
- 2.5 The provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the non-resident would prevail over the provisions of the IT Act, as per section 90(2) of the IT Act; to the extent they are more beneficial to the non-resident.
- 2.6 The provisions of section 54EC of the IT Act exempts long-term capital gains [which are not exempt under section 10(38) of the IT Act] from being taxed to the extent such capital gains are invested in long term specified assets within a period of 6 months after the date of such transfer (presently, bonds issued by the National Highways Authority of India or the Rural Electrification Corporation Limited have been specified). Where only a part of the capital gains is so invested, the exemption is proportionately available. However, the investment in specified asset is limited to Rs 5 million. The minimum holding period in the prescribed investments to remain eligible for the exemption is 3 years.
- 2.7 Subject to the conditions specified under the Provisions of section 54F of the IT Act, long- term capital gains (which are not exempt from tax under section 10(38) of the IT Act) arising to an individual or a HUF on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
- 2.8 Where shares of the Company have been subscribed in convertible foreign exchange, Non- Resident Indians (i.e. An individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

Under section 115E of the IT Act, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a non-resident Indian, long term

capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.

Under section 115F of the IT Act, long-term capital gains [in cases not covered by section 10(38) of the IT Act] arising to a non-resident Indian from transfer of shares of the company, subscribed in convertible foreign exchange (in case not covered under Section 115E of the IT Act), shall be exempt from income tax, if the entire net consideration is reinvested in specified assets/saving certificates referred to in section 10(4B) within 6 months of the date of transfer. Where only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets/saving certificates are transferred or converted into money within 3 years from the date of their acquisition.

Under section 115G of the IT Act, it shall not be necessary for a non-resident Indian to furnish his return of income under Section 139(1) if his income chargeable under the IT Act consists of only investment income or long term capital gains or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax has been deducted at source from such income as per the provisions of Chapter XVII- B of the IT Act.

Under section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the foregoing provisions for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

1. Investment in shares of companies are excluded from the definition of the term "asset" as given under section 2(ea) of the Wealth Tax act, 1957, and hence the shares held by the shareholders would not be liable to Wealth tax.

BENEFITS AVAILABLE UNDER THE GIFT TAX ACT

1. Gift tax is not leviable in respect of any gifts made on or after 1st October, 1998.
2. However, as per section 56(2)(vii){c) of the IT Act, any individual or a HUF receives any shares or securities without consideration, the aggregate value of which exceeds Rs 50,000, than the whole of the aggregate fair market value of such shares and securities shall be chargeable to income-tax under the head "Income from other sources". However, if the consideration received is less than the aggregate fair market value of the shares and securities by an amount exceeding Rs 50,000, than the aggregate fair market value of such property as exceeds such consideration. However, this section will not be applicable if the shares and securities are received from any relative or on the occasion of marriage of the individual or under will or by way of inheritance etc.
3. However, as per section 56(2)(viia) of the IT Act, any company not being a company in which the public are substantially interested receives on or after 1 June 2010, any property being the shares of a company in which the public are substantially interested without consideration, the aggregate value of which exceeds Rs 50,000,

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than the whole of the aggregate fair market value of such shares and securities shall be chargeable to income- tax under the head "Income from other sources". However, if the consideration received is less than the aggregate fair market value of the shares and securities by an amount exceeding Rs 50,000, than the aggregate fair market value of such property as exceeds such consideration.

Notes:

1. The above Statement of Possible Direct Tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
2. The above Statement of Possible Direct Tax benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect of the specific tax implications arising out of their participation in the issue.
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation avoidance Agreement, if any, between India and the country in which the non-resident is resident.

CURRENCY OF PRESENTATION

In this Information Memorandum all references to “Rupees” or “₹” are to Indian Rupees, the legal currency of the Republic of India.

DIVIDEND POLICY

The Company does not have any formal dividend policy vis a vis the equity shares. The declaration and payment of equity dividend in a company is recommended by our Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Company has not paid any dividend on its equity shares so far.

IV. FINANCIAL INFORMATION

The Board of Directors
Dhunseri Tea & Industries Limited
4A Woodburn Park
Dhunseri House
Kolkata-700020

Report on special purpose financial statements

1. This report is issued in accordance with the terms of our agreement dated November 13, 2014.
2. We have audited the accompanying special purpose financial statements of Dhunseri Tea & Industries Limited (the "Company") which comprise the balance sheet as at September 30, 2014, and the statement of profit and loss and cash flow statement for the period ended on that date 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

3. Management is responsible for the preparation of these special purpose financial statements in accordance with the Companies (Accounting Standards) Rules, 2006 notified by the Central Government of India/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, to the extent considered relevant by it for the purpose for which these special purpose financial statements have been prepared (the "accounting principles generally accepted in India"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these special purpose 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose 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 entity'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 accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. Based on our audit, 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 purposes of our audit;

Dhunseri Tea & Industries Limited -Information Memorandum

- b. The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account;
- c. In our opinion and to the best of our information and according to the explanations given to us, the special purpose financial statements, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, the state of affairs of the Company as at September 30, 2014;
 - (ii) in the case of the Statement of Profit and Loss, the profit for the period ended on that date; and
 - (iii) in the case of the Cash flow statement, of the cash flows for the period ended on that date

Emphasis of Matter – Basis of Preparation

- 8. We draw attention to Note 1(a) to the special purpose financial statements, which describes the basis of its preparation. The special purpose financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 1956, as those are considered irrelevant by the Management and the intended users of the special purpose financial statements for the purposes for which those have been prepared. Our opinion is not qualified in respect of this matter.

Other Matter

- 9. The special purpose financial statements dealt with by this report, have been prepared for the express purpose of enabling the Company to proceed with listing of its equity shares on National Stock Exchange Limited and BSE Limited pursuant to Paragraph 6 of Part B of Circular Number CIR/CFD/DIL/05/2013 issued by the Securities and Exchange Board of India (SEBI) dated February 4, 2013 (the Circular).
- 10. The financial statements of the Company as at March 31, 2014 and for the year then ended were audited by another firm of chartered accountants who, vide their report dated August 14, 2014 expressed an unmodified opinion on those financial statements.

Restriction on Use

- 11. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.
- 12. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 8 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing. Lovelock & Lewes neither accepts nor assumes any duty, responsibility or liability to any other party or for any other purpose.

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

Place: Kolkata
Date: November 24, 2014

Pradip Law
Partner
Membership No.51790

DHUNSERI TEA & INDUSTRIES LIMITED

BALANCE SHEET as at 30th September, 2014

(Rs. in lakhs)

	Notes	As at 30.09.2014
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	2	700.50
Reserves and surplus	3	15,229.45
		15,929.95
Non-Current Liabilities		
Long-term borrowings	4	228.58
Deferred tax liabilities (Net)	5	783.42
Other Long-term liabilities	6	83.59
Long-term provisions	7	26.54
		1,122.13
Current Liabilities		
Short-term borrowings	8	4,835.10
Trade payables	9	945.85
Other current liabilities	10	978.27
Short-term provisions	11	413.77
		7,172.99
Total		24,225.07
ASSETS		
Non-Current Assets		
Fixed assets		
Tangible assets	12	6,079.87
Capital work-in-progress		30.38
Non-current investments	13	6,197.39
Long-term loans and advances	14	782.98
		13,090.62
Current Assets		
Current investments	15	1,628.79
Inventories	16	3,675.82
Trade receivables	17	3,062.21
Cash and Bank balances	18	1,136.01
Short-term loans and advances	19	1,540.35
Other current assets	20	91.27
		11,134.45
Total		24,225.07

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 No. 301056E
Chartered Accountants

Pradip Law
Partner
Membership No. 51790
Place : Kolkata
Date : November 24 , 2014

For and on behalf of the Board

C. K. Dhanuka	Basudeo Beriwala
Managing Director	Director
Bhavana Khemka	R. Mahadevan
CFO	Company Secretary

DHUNSERI TEA & INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS for the Six Month ended 30th September, 2014

(Rs. in lakhs)

	Notes	Period ended 30.09.2014
Revenue from Operations	23	8,205.54
Other Income	24	194.41
Total Revenue		8,399.95
EXPENSES		
Cost of materials consumed	25	2,640.65
Changes in inventories of finished goods	26	(2,514.35)
Employee benefits expense	27	2,367.02
Finance costs	28	182.40
Depreciation expense (Refer Note 35)		377.53
Other expenses	29	3,023.57
Total Expenses		6,076.82
Profit before tax		2,323.13
Tax expense:		
Current tax for current period		488.03
Adjustment for earlier years		(67.99)
Deferred tax		(72.95)
Profit for the period after tax		1,976.04
Earnings per equity share [Nominal value per share: Rs.10/- each]		
(1) Basic	31	28.21
(2) Diluted	31	28.21

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 No. 301056E
Chartered Accountants

Pradip Law
Partner
Membership No. 51790
Place : Kolkata
Date : November 24, 2014

For and on behalf of the Board

C. K. Dhanuka	Basudeo Beriwal
Managing	Director
Director	
Bhavana Khemka	R. Mahadevan
CFO	Company Secretary

DHUNSERI TEA & INDUSTRIES LIMITED

CASH FLOW STATEMENT for the Six Month ended 30th September, 2014 (Rs. in lakhs)

A. CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation 2,323.13

Adjustments for:

Interest Income (56.28)

(Profit)/Loss on sale of Investments (128.42)

Finance Cost 182.40

Depreciation and Amortisation 377.53

Liabilities no longer required written back (0.55)

Unrealized Foreign Exchange Loss/(Gain) 31.77

Operating Profit before Working Capital Changes **2,729.58**

Adjustments for:

Trade and other receivables (1,483.05)

Inventories (2,287.30)

Trade payables and other liabilities 237.73

Cash generated from operations (803.04)

Direct Taxes (Paid) / Received (165.53)

Net Cash from Operating Activities (968.57)

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of fixed assets (424.11)

Receipt of compensation against Land 1.00

Purchase of Current Investments (1,628.42)

Sale of Non Current Investment 1,628.42

Interest received 25.95

Net Cash from Investing Activities (397.16)

C. CASH FLOW FROM FINANCING ACTIVITIES

Repayment of long term borrowing (206.14)

Proceeds/(Repayments) of Short Term Borrowings 1,300.04

Interest paid (167.28)

Net Cash used in Financing Activities 926.62

Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C) (439.10)

Cash and Cash Equivalents (opening balance) (Refer Notes to the Financial Statements 21) 5.54

Add Cash and cash Equivalent taken over 1,569.57

Cash and Cash Equivalents (closing balance) (Refer Notes to the Financial Statements 21) 1,136.01

1,136.01

Notes to the Financial Statementss:

- 1 Cash and Cash Equivalents represents cash and bank balances only.
- 2 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
- 3 Previous period's figures have not been provided as the Interim Cash Flow Statements have been prepared for the first time

For and on behalf of the Board

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

Pradip Law
Partner
Membership No. 51790
Place : Kolkata
Date : November 24, 2014

C. K. Dhanuka Managing Director
Basudeo Beriwalla Director
Bhavana Khemka CFO
R. Mahadevan Company Secretary

NOTES TO FINANCIAL STATEMENTS for the period ended 30th September 2014

Note 1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. 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 comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules 2006, as amended] of the Companies Act, 1956. Further these financial statements having been prepared for an interim period, the principles for recognition and measurement as set out in Accounting Standard 25-Interim Financial Reporting have been applied. 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.

These interim financial statements have been prepared for a special purpose in order to comply with requirements of Paragraph 6 of Part B of Circular number CIR/CFD/DIL/05/2013 issued by the Securities and Exchange Board of India (SEBI) dated February 4, 2013 (the Circular) to enable the Company to proceed with listing of its Equity Shares on BSE Ltd and National Stock Exchange of India Ltd. and are for the period April 1, 2014 to September 30, 2014.

b) Fixed Assets

Tangible Assets

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

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

c) Depreciation and Amortization

Depreciation has been provided using the straight-line method based on the useful lives and residual value of 5 per cent as specified in Part-C of the Schedule II to the Companies Act, 2013.

d) Impairment

An impairment loss is recognized, 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 recognize, any decline, other than temporary, in the carrying amount 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 realizable 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 recognized 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 recognized as expenses for the period.

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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 recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized 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 recognized immediately in the Statement of Profit and Loss for the period in which they occur. Other long-term employee benefit obligation recognized 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 recognized in the Statement of Profit and Loss.

i) Revenue recognition

Sales are recognized 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 sales tax and excise duties, where applicable. Other items of the revenue are accounted for on accrual basis

j) Other Income

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

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

Other items are accounted for on accrual basis.

k) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets (i.e. assets that necessarily take substantial period or time to get ready for their intended use or sale) are added to the cost of those assets. All other borrowing costs are recognized 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 recognized based on applicable tax rate and laws.

Deferred tax is recognized, 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 recognized 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 realized. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realization. Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognized 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. Also Refer Note 34.

m) Leases

Lease payments under operating lease are recognized 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.

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(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 recognized 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) 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 recognized in the period in which the results are known / materialized.

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September, 2014

Note 2 SHARE CAPITAL

As at 30.09.2014

Authorised

7,500,000 Equity Shares of Rs. 10/- each 750.00

Issued, Subscribed and Fully Paid up

7,004,951 Equity Shares of Rs. 10/- each 700.50

(a) Reconciliation of number of shares

	No. of Shares	Amount
Balance as at the beginning of the year	50,000	5.00
Less Shares cancelled as per the Scheme of Arrangement (Refer Note No. 38)	50,000	5.00
Add Shares allotted as per the Scheme of Arrangement (Refer Note No. 38)	70,04,951	700.50
Balance as at the end of the year	70,04,951	700.50

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

Dhunseri Investments Limited	24,87,755
	35.51%
Naga Dhuseri Group Limited	6,15,751
	8.79%
Yves Lombard Asset Management A G	7,59,010
	10.84%
International Finance Corporation	4,61,728
	6.59%

(c) Shares allotted as fully paid pursuant to contracts without payment being received in cash(during the five years immediately preceding 31st March 2014)

(i) During the period ended 30th September 2014, 7,004,951 Equity shares of Rs 10/- each fully paid up was allotted without payment being received in cash in terms of the Scheme of Arrangement referred to in the Note No. 38

Note 3 RESERVES AND SURPLUS

General Reserve

Balance as at the beginning of the year	-
Add Amount arisen pursuant to Scheme of Arrangement (Refer Note 38)	13,253.22
Balance as at the end of the year	13,253.22

Surplus in Statement of Profit and Loss

Balance as at the beginning of the year	0.19
Add : Profit for the period	1,976.04
Balance as at the end of the year	1,976.23
Total	15,229.45

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September,2014

Note 4 LONG-TERM BORROWINGS

As at
30.09.2014

Secured

Term Loans

From banks	213.74
From others parties	14.84

Total	228.58
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	Nature of Security	Terms of Repayment
(a)	Term Loan from Banks amounting to Rs 600 lacs is secured by way of first pari-passu charge on certain Fixed Assets of the Company (including Capital work in progress & equitable mortgage on the tea estates) along with the working capital bankers and further by any other security as may be stipulated by the Bank.	Repayable in 19 Quarterly instalments commencing from second quarter of the year ended 31.03.2012.
(b)	Term Loans (Auto Loans) from bank and other parties amounting to Rs 41.83 lacs are secured by hypothecation of respective vehicles.	Equated Monthly Instalments beginning from the month subsequent to taking of the Loans.
(c)	Figures indicated in (a) to (b) above includes current maturities of respective borrowings which have been presented in Note 10.	

Note 5 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability

Depreciation	795.56
	795.56

Deferred Tax Asset

Items allowable for tax purposes on payment	12.14
	12.14

Net Deferred Tax Liabilities	783.42
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Note 6 OTHER LONG TERM LIABILITIES

Security Deposits	50.00
Lease Equalisation Account	33.59
Total	83.59

Note 7 LONG TERM PROVISIONS

Provision for employee benefits

Provision for Gratuity	0.30
Provision for Leave Encashment	26.24
Total	26.54

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September,2014

Note 8 SHORT TERM BORROWINGS

	As at 30.09.2014
Secured	
Loan repayable on demand from Banks	2,102.83
	2,102.83
Unsecured	
Other Loans from Banks	2,732.27
	2,732.27
Total	4,835.10

Nature of Security

Loans repayable on demand from Banks are secured by a first hypothecation charge on the current assets of the Company, viz. stock of raw materials, stock-in-process, semi finished and finished goods, stores and spares not relating to plant and machinery, bills receivable, book debts and all other movables, both present and future, wherever situated. Secured by a first hypothecation charge on the movable fixed assets of the Company and equitable mortgage over the immovable properties by deposit of title deeds of tea estates. Also secured by lien against fixed deposits with Bank.

Note 9 TRADE PAYABLES

Total outstanding dues of Micro and Small Enterprises [Refer (a) below]	-
Total outstanding dues of creditors other than Micro and Small Enterprises	945.85
	945.85

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

Note 10 OTHER CURRENT LIABILITIES

Current Maturities of Long-term debts (Refer Note 4)	413.25
Interest accrued but not due on borrowings	24.92
Liability for Capital Goods	19.71
Statutory Dues	134.99
Unpaid Dividends [Refer (a) below]	11.03
Advance From Customers	61.93
Employee Benefits	312.44
	978.27

(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 Leave Encashment	75.34
Others	
Provision for Taxation(Net of Advance of Rs 153.80 lacs)	338.43
	413.77

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September, 2014

Note 12 -TANGIBLE ASSETS

	GROSS BLOCK					DEPRECIATION				NET BLOCK
Particulars	Cost as at 31.03.2014	Assets acquired pursuant to the scheme of arrangement(Refer Note 38)	Additions	Sale or Adjustments	Total Cost as at 30.09.2014	Up to 31.03.2014	On assets acquired pursuant to the scheme of arrangement (Refer Note 38)	For the period ended 30.09.2014	Total up to 30.09.2014	As at 30.09.2014
Freehold Land		383.73		1.00	382.73		-		-	382.73
Leasehold Land										
and Estate		1,080.70			1,080.70		7.62		7.62	1,073.08
Development										
Buildings		3,155.54	16.81		3,172.35		898.35	135.67	1,034.02	2,138.33
Plant &		5,678.20	22.67		5,700.87		3,631.37	171.67	3,803.04	1,897.83
Machinery										
Furniture and		539.94	10.01		549.95		189.65	31.49	221.14	328.81
Fixtures										
Office		22.81	-		22.81		8.95	3.02	11.97	10.84
Equipment's		667.91	9.88		677.79		393.86	35.68	429.54	248.25
Vehicles										
Total	-	11,528.83	59.37	1.00	11,587.20	-	5,129.80	377.53	5,507.33	6,079.87

(a) Gross Block and Accumulated Depreciation includes building on rented land amounting to Rs 521.80 lacs and Rs 44.95 lacs respectively.

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September, 2014

Note 13 NON-CURRENT INVESTMENTS (valued at cost unless otherwise stated)

	Face Value	No of shares	
		As At	As At
		30.09.2014	30.09.2014
<u>Trade Investments</u>			
<u>In Equity Instruments-Unquoted Fully Paid-up</u>			
Investment in Subsidiaries:			
Dhunseri Petrochem & Tea Pte Ltd.	US\$ 1	1,11,80,816	6,197.39
			6,197.39

Note 14 LONG TERM LOANS AND ADVANCES

Unsecured, considered good

Capital Advances		522.70
Security Deposits		
With Related Party		61.50
With Others		172.78
Other Loans		
To Bodies Corporate		26.00
		782.98

Note 15 CURRENT INVESTMENTS

	Face Value	No of Units	
		As at	As at
		30.09.2014	30.09.2014
Current Investments-other than Trade (Unquoted)			
(Valued at cost or market value whichever is lower)			
Investments in Mutual Funds			
HDFC FMP 370D April 2014-Regular Growth	Rs 10	1,62,84,200	1,628.42
HDFC Top 200 Fund-Growth	Rs 10	147	0.37
			1,628.79

Note 16 INVENTORIES (At lower of cost and net realisable value)

	As at
	30.09.2014
Finished goods (includes in transit Rs 253.66 lac)	2,956.61
Stores and spares including packing materials (includes in transit Rs 91.27 lacs)	719.21
	3,675.82

Note 17 TRADE RECEIVABLES

Unsecured, considered good

Outstanding for a period exceeding 6 months from the date they are due for payment	5.30
Other debts	3,056.91
	3,062.21

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September, 2014

Note 18 CASH AND BANK BALANCES

Cash and cash equivalents

Balances with Banks	
Current Accounts	111.91
Cash Credit Accounts	61.30
Unpaid Dividend Accounts (Refer (a) below)	11.03
Cheques on hand	19.73
Cash on hand	26.59
	<u>230.56</u>

Other bank balances

Fixed Deposits (with maturity greater than 3 months but less than 12 months) [Refer (b) below]	905.45
	<u>905.45</u>
	<u>1,136.01</u>

(a) Earmarked for payment of Dividend

(b) Includes Rs 900 lacs under lien with bank.

Note 19 SHORT-TERM LOANS AND ADVANCES

As at
30.09.2014

Unsecured, considered good

Loans and advances to Dhunseri Petrochem Tea Pte Limited	609.44
Amount due from Dhunseri Petrochem Limited	70.91
Deposit with Government Authorities	12.34
Deposit with National Bank for Agriculture and Rural Development	494.21
Others	
Loans to Staff	12.39
Advance to Suppliers/Service Providers	104.22
Prepaid Expenses	156.25
Advance Tax(net of provision for tax Rs 290.55 lacs)	80.59
	<u>1,540.35</u>

Note 20 OTHER CURRENT ASSETS

Unsecured, considered good

Interest accrued on Deposits and Investment	50.36
Receivables against sale of assets	40.91
	<u>91.27</u>

Note 21 CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts	
Income Tax-matter under dispute	82.77
It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.	
Standby Letters of Credit issued in connection, with loan taken by Dhunseri Petrochem & Tea Pte Limited, a wholly owned subsidiary, from a bank	6,426.76
The Company does not expect any reimbursements in respect of the above contingent liabilities.	

Note 22 CAPITAL COMMITMENTS

Estimated value of contracts in capital account remaining to be executed and not provided for	57.35
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NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September, 2014

Note 23 REVENUE FROM OPERATIONS

	For the period ended 30th September 2014
Sale of Products	
Tea	5,276.88
Packet Tea	2,896.78
Other Operating Revenues	
Tea Subsidy-Orthodox	15.11
Tea Subsidy-Replantation	16.77
	8,205.54

Note 24 OTHER INCOME

Profit on Sale of Long Term Non Trade Investment	128.42
Service Charges Received	0.60
Interest Income	56.28
Liability no longer required written back	0.55
Insurance Claim	1.92
Miscellaneous Income	6.64
	194.41

Note 25 COST OF MATERIALS CONSUMED

Raw Materials

Green leaf(All indigeneous)-purchased and consumed	2,640.65
	2,640.65

Note 26 CHANGES IN INVENTORIES OF FINISHED GOODS

(Increase)/Decrease in Stock

Stock at the end of period

Finished Goods	2,956.61
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Stocks acquired as per the Scheme of Arrangement (Note 38)

Finished Goods	442.26
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Net(increase)/Decrease in Stock	(2,514.35)
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Note 27 EMPLOYEE BENEFITS EXPENSES

Salaries and Wages	2,044.57
Contribution to provident and other funds	184.78
Staff welfare expenses	137.67
	2,367.02

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September, 2014

Note 28 FINANCE COSTS

	For the period ended 30th September 2014
Interest expense	177.34
Other borrowing costs	5.06
	182.40

Note 29 OTHER EXPENSES

Power & fuel	1,038.15
Consumption of stores and spare parts including Packing Material (all indigenous)	795.43
Freight, delivery and shipping charges	183.05
Brokerage and commission on sales	55.35
Other Selling Expenses	42.36
Foreign Exchange Loss	42.46
Cess on Tea	99.32
Rent	92.25
Repairs and Maintenance	
Plant and Machinery	62.59
Buildings	32.80
Others	168.87
Insurance	23.21
Rates and Taxes	49.98
Job Charges	47.47
Advertisements	60.05
Travelling and Conveyance	60.97
Miscellaneous Expenses	169.26
	3,023.57

Note 30- EMPLOYEE BENEFIT OBLIGATIONS

Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Fund make payment to vested employees at retirement, death/disability, withdrawal of an amount based on the respective employee's eligible salary for specified number of days depending upon the tenure of service subject to a maximum limit of Rs 10 lacs. 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 period ended 30th September, 2014	30th September 2014 Funded
	Present value of Defined Benefit Obligation as at 1st April, 2014- Taken over as per the Scheme of Arrangement (Refer Note 38)	1,216.32
	Current Service Cost	30.20
	Interest Cost	54.25
	Benefits Paid	(63.56)
	Actuarial (gain)/loss on Obligation	(42.24)
	Present value of Defined Benefit Obligation as at 30th September, 2014	1,194.97

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September, 2014

(b)	Change in Fair Value of Assets during the period ended 30th September 2014	30th September 2014 Funded
	Fair Value of Plan Assets as at 1st April, 2014- Taken over as per the Scheme of Arrangement (Refer Note 38)	1,148.10
	Expected Return on Plan Assets	53.24
	Contributions Made	67.92
	Benefits Paid	(63.56)
	Actuarial gain / (loss) on Plan Assets	2.35
	Fair value of Plan Assets as at 30th September, 2014	1,208.05
(c)	Net(Asset)/Liability recognised in the Balance Sheet as at 30th September, 2014	30th September 2014 Funded
	Present Value of the Defined Benefit Obligation	1,194.97
	Fair value of Plan assets	1,208.05
	Net(Asset)/Liability	(13.08)
	Less : Amount of asset not recognised	13.08
	Net (Asset)/Liability recognised in the Balance Sheet	-
(d)	Expense recognised in the Statement of Profit and Loss for the period ended 30th September, 2014	30th September 2014 Funded
	Current Service Cost	30.20
	Interest Cost	54.25
	Expected return on plan assets	(53.24)
	Net actuarial (gain)/loss recognised during the year on defined benefit obligations	(42.24)
	Actuarial (Losses)/Gains on Plan Assets	(2.35)
	Total Expense recognised in the Statement of Profit and Loss (in Note 27- Employee benefits expense under the head " Gratuity")	(13.38)
(e)	Major Categories of Plan Assets as a percentage of total plans as at 30th September, 2014	30th September 2014 Funded
	Investment with Private Insurance Companies	30.28%
	Administered by Life Insurance Corporation of India	58.63%
	Special Deposits and Bonds	6.81%
	Others including Bank Balances	4.28%
		100%
(f)	Experience adjustments	30th September 2014 Funded
	Defined Benefit Obligation	1,194.97
	Fair value of Plan Assets	1,208.05
	Status Surplus/(Deficit)	13.08
	Experience adjustments on Plan Liabilities Gain/(Loss)	42.24
	Experience adjustments on Plan Assets Gain/(Loss)	2.35
(g)	Actuarial Assumptions	Period ended 30.09.2014
	Particulars	LICI-2006-08
	Mortality Table	
	Discount rate	8.25%
	Salary Escalation rate	5.00%
	Expected Return on Plan Assets	9.00%
(h)	Actual Return on Plan Assets	55.59lacs

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September, 2014

- (i) The estimate of future salary increase considered in actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is determined after taking into consideration composition of plan assets held, assessed risk, historical results on plan assets, the Company's policy for plan asset management and other relevant factors.
- (j) Contribution for Defined Contribution Plan comprising Rs 7.48 lac on account of the Company's contribution to Superannuation fund and Rs 163.91 lac on account of the Company's contribution to Provident funds has been recognised as an expense and included in Note 27- Employee benefits expenses under the head "Contribution to provident and other funds" in the Statement of Profit and Loss.

Note 31 EARNINGS PER EQUITY SHARE

	Period ended
	30.9.14
(a) Earnings attributable to equity shareholders	1,976.04
(b) Adjustments for Dilutive Earnings net of tax	-
(c) Earnings Diluted	1,976.04
(d) Weighted Average number of Ordinary Shares outstanding	70,04,951
(e) Adjustment for Potential Ordinary Shares	-
(f) Weighted Average number of Ordinary shares in computing Diluted Earnings Per Share	70,04,951
-Basic (a/d) (in Rs.)	28.21
-Diluted (c/f) (in Rs.)	28.21

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

Names of related parties and description of relationship:

Where control exists

(A) Subsidiary Company:

- (1) Dhunseri Petrochem & Tea Pte Ltd.

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

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

Others

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

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

(D) Key Management Personnel

- (9) Mr. C.K.Dhanuka

(E) Relative of Key Management Personnel

- (10) Mr Mrigank Dhanuka

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September, 2014

		Period ended 30.9.2014
Nature of Transactions/Balances		
A	Subsidiary Company	
	Dhunseri Petrochem & Tea Pte. Ltd.	
	Investment in Shares	6,197.39
	Receivable/(Payable)	609.44
	Interest Receivable/Interest Income	14.06
B.	Group Companies	
	Dhunseri Petrochem Limited	
	Receivable/(Payable)	70.91
	Trimplex Investments Limited	
	Rent and Service Charges	33.60
	Receivable/(Payable)	61.50
	Naga Dhunseri Group Limited	
	Rent Paid	14.18
	Mint Investments Limited	
	Rent and Service Charges	12.49
	Dhunseri Investments Limited	
	Rent Paid	3.71
	Job Charges	47.47
C.	Key Management Personnel	
	Mr. C.K. Dhanuka	
	Remuneration	0.55
	Rent Received	0.30
	Receivable/(Payable)	(25.00)
D.	Relative of Key Management Personnel	
	Mr. M. Dhanuka	
	Rent Received	0.30
	Receivable/(Payable)	(25.00)

Note 33 SEGMENT REPORTING

The Company is engaged in the integrated process of growing, harvesting and sale of Black Tea only and hence has only one business segment and thus Segment Reporting is not applicable.

Note 34 Measuring Income Tax Expense for Interim Period

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Note 35 DEPRECIATION

Depreciation for the period includes a onetime charge of Rs. 85.76 lacs on account of of assets whose useful running lives were Nil as on 1st April, 2014 consequent to the decision of the Company to adopt the useful lives specified in Schedule II to the Companies Act 2013 with effect from 1st April 2014.

NOTES TO FINANCIAL STATEMENTS (contd.) for the period ended 30th September, 2014

Note 36 - DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

Foreign Currency Exposure that are not hedged by a derivative instrument or otherwise is Rs 1232.27 lacs

Note 37- LEASE OBLIGATION

Operating Lease

The Company has taken various office premises under operating leases which are cancellable having tenures of 5/9 years. There is no specific obligation for renewal of these agreements. Lease rent for the period amounts to Rs. 78.07 lacs debited to the Statement of Profit and Loss.

Note 38

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

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

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

The difference between the assets and liabilities amounting to Rs 13,953.72 lacs recorded above as reduced by the aggregate face value of shares amounting to Rs 700.50 lacs allotted by the Company was taken to General Reserve.

Further in terms of the Scheme the existing Shares of this Company was cancelled upon the issue of new equity shares to the shareholders of DPTL.

Note 39

Previous period's figures have not been provided as the Interim Financial Statements have been prepared for the first time.

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

Pradip Law
Partner
Membership No. 51790
Place : Kolkata
Date : November 24 , 2014

For and on behalf of the Board

C. K. Dhanuka	Basudeo Beriwala
Managing	Director
Director	
Bhavana Khemka	R. Mahadevan
CFO	Company Secretary

DHUNSERI TEA & INDUSTRIES LIMITED

Independent Auditors' Report

To The Members of
Dhunseri Tea & Industries Limited

Report on Financial Statements

I have audited the attached balance sheet of DHUNSERI TEA AND INDUSTRIES LIMITED (Formerly known as DHUNSERI SERVICES LIMITED) ("the Company"), as at 31st March, 2014, the statement of profit and loss and cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with 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

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the 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 Profit and Loss Account, of the **Profit** for the period ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 This being a Limited Company with a Paid up Capital and Reserves not more than Fifty Lakhs Rupees and does not have loan outstanding exceeding Rupees Twenty Five Lakhs from any Bank or Financial Institution and does not have a turnover exceeding Five Crores Rupees, the Companies (Auditors' Report) Order, 2003 is not applicable to it.
2. As required by section 227(3) of the Act, we report that, I report that:
 - i. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of our audit;
 - ii. In my 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.
 - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - iv. In my opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report comply 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;
 - v. On the basis of written representations received from the directors, as on 31st March, 2014 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

SUMIT KUMAR MEHARIA, ACA, PROPRIETOR

Membership No. 068735

For and on behalf of

MEHARIA & ASSOCIATES

Chartered Accountants

Firm Regn. No: 327845E

Place: Kolkata

Dated: The 14th August, 2014

DHUNSERI TEA AND INDUSTRIES LIMITED
(FORMERLY: DHUNSERI SERVICES LIMITED)
BALANCE SHEET AS AT 31ST MARCH, 2014

(Figures in Rs.)

Sl. No.	Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I.	EQUITY AND LIABILITIES			
(1)	<u>Shareholder's Funds</u>			
	(a) Share Capital	2.1	5,00,000	5,00,000
	(b) Reserves and Surplus	2.2	19,768	(20,982)
(2)	<u>Non-Current Liabilities</u>			
	(a) Long-Term Provisions	2.3	1,839	1,839
(3)	<u>Current Liabilities</u>			
	(a) Trade Payables	2.4	32,706	43,644
	(b) Short-Term Provisions	2.5	9,450	3,088
	Total Equity & Liabilities		5,63,763	5,27,589
II.	ASSETS			
(1)	<u>Non-Current Assets</u>			
	(a) Long - Term Loans and Advances	2.6	1,839	1,839
(2)	<u>Current Assets</u>			
	(a) Cash and Cash Equivalents	2.7	5,53,580	5,19,606
	(b) Short - Term Loans and Advances	2.8	8,344	6,144
	Total Assets		5,63,763	5,27,589

Significant Accounting Policies and Notes on Accounts. 1 & 2

SUMIT KUMAR MEHARIA, ACA, PROPRIETOR

Membership No. 068735

For and on behalf of

MEHARIA & ASSOCIATES

Chartered Accountants

Firm Regn. No: 327845E

Place: Kolkata

Dated: The 14th August, 2014

For and on behalf of the Board of Directors

C. K. Dhanuka

P C Dhandhanania

K K Tibrewalla

DHUNSERI TEA AND INDUSTRIES LIMITED
(FORMERLY: DHUNSERI SERVICES LIMITED)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(Figures in Rs.)

Sl. No.	Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
(1)	Revenue from Operations			
(2)	Other Income	2.9	76,951	30,555
	Total Revenue (1+2)		76,951	30,555
(3)	Expenses:			
	Other Expenses	2.10	27,360	14,347
	Total Expenses		27,360	14,347
(4)	Profit/(Loss) before exceptional and extraordinary items and tax (2 - 3)		49,591	16,208
(5)	Exceptional & Extraordinary Items		-	-
(6)	Profit/(Loss) after exceptional and extraordinary items and before tax		49,591	16,208
(7)	Tax Expense:			
	(1) Current tax		9,450	3,088
	(2) MAT Credit Entitlement		(609)	(3088)
	(3) Earlier Year Tax Adjustment		-	6,467
(8)	Profit/(Loss) from Operations		40,750	9,741
(9)	Earning per Equity Share:			
	(1) Basic		0.82	0.19
	(2) Diluted		0.82	0.19

Significant Accounting Policies and Notes on Accounts.

1 & 2

For and on behalf of the Board of Directors

SUMIT KUMAR MEHARIA, ACA,
PROPRIETOR

Membership No. 068735

For and on behalf of

MEHARIA & ASSOCIATES

Chartered Accountants

Firm Regn. No: 327845E

Place: Kolkata

Dated: The 14th August, 2014

C. K. Dhanuka
P C Dhandhanian
K K Tibrewalla

DHUNSERI TEA AND INDUSTRIES LIMITED
(FORMERLY: DHUNSERI SERVICES LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH 2014

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		49,591		16,208
<u>Adjustments for:</u>				
Interest income		(46,789)		(30,555)
Liabilities / provisions no longer required written back		(30,162)		-
Operating profit / (loss) before working capital changes		(27,360)		(14,347)
<i>Adjustments for (increase) / decrease in Assets:</i>				
Short-term loans and advances	(2,200)		(6,144)	
Long Term Loans and advances			36,526	
<i>Adjustments for increase / (decrease) in Liabilities:</i>				
Trade payables	(10,938)		(3,058)	
Other current liabilities	-		(30,059)	
Short-term provisions	6,362	(6,776)	3,088	353
Cash flow from extraordinary items		30,162		-
Cash generated from operations		(3,974)		(13,994)
Net income tax (paid) / refunds		(8,841)		(6,467)
Net cash flow from / (used in) operating activities (A)		(12,815)		(20,461)
B. Cash flow from investing activities				
Interest income		46,789		30,555
Net cash flow from / (used in) investing activities (B)				
C. Cash flow from financing activities				
		-		-
Net cash flow from / (used in) financing activities (C)				
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		33,974		10,094
Cash and cash equivalents at the beginning of the year		5,19,606		5,09,512
Cash and cash equivalents at the end of the year		5,53,580		5,19,606
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet at the year end comprises		5,53,580		5,19,606
Cash and cash equivalents as per Balance Sheet at the year end comprises				
(a) Cash in hand				
(b) Balances with banks:				
(i) In current accounts		8,971		17,107
(ii) In Deposit accounts		5,44,609		5,02,499
		5,53,580		5,19,606

See accompanying notes forming part of the financial statements
In terms of our report attached.

SUMIT KUMAR MEHARIA, ACA, PROPRIETOR

Membership No. 068735

For and on behalf of

MEHARIA & ASSOCIATES

Chartered Accountants

Firm Regn. No: 327845E

Place: Kolkata

Dated: The 14th August, 2014

For and on behalf of the Board of Directors

C. K. Dhanuka

P C Dhandhanian

K K Tibrewalla

DHUNSERI TEA AND INDUSTRIES LIMITED

(FORMERLY: DHUNSERI SERVICES LIMITED)

**NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

1 COMPANY OVERVIEW

DHUNSERI TEA AND INDUSTRIES LIMITED having its Registered Office at "Dhunseri House", 4A Woodburn Park, Kolkata - 700020 is engaged in the business of General Services.

SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the generally accepted accounting practices followed in India, applicable Accounting Standards issued by 'The Institute of Chartered Accountants of India' and relevant provisions of the Companies Act, 1956. A summary of significant accounting policies which have been applied consistently is set out below -

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

1.2 REVENUE RECOGNITION

The Company follows Accrual basis of Accounting for Revenue Recognition.

1.3 LOANS AND ADVANCES

Loans and Advances are stated after making adequate provision for doubtful advances, if any.

1.4 USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known/estimated.

1.5 TAXES ON INCOME

- 1) Current tax is determined in accordance with the provision of Income Tax Act, 1961.
- 2) Deferred Tax has been recognised for all timing differences, subject to consideration of prudence in respect of Deferred Tax Assets.
Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on the convincing evidence that the Company will pay normal Income-tax within statutory time frame and is reviewed at each Balance Sheet date.
- 3)

DHUNSERI TEA AND INDUSTRIES LIMITED
(FORMERLY: DHUNSERI SERVICES LIMITED)
Notes forming part of the financial statements as at 31st March, 2014

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
---------	-------------	------------------------	------------------------

Note : 2.1 Share Capital

1	<u>Authorized Capital</u> 50,000 Equity Shares of Rs.10/- each.	5,00,000	5,00,000
		5,00,000	5,00,000
2	<u>Issued, Subscribed & Paid Up Capital</u> 50,000 Equity Shares of Rs.10/- each	5,00,000	5,00,000
Total		5,00,000	5,00,000

The company has only one class referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share

Reconciliation of the number of shares outstanding

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
1	Number of shares at the beginning	50,000	50,000
2	Number of shares at the closing	50,000	50,000

Details of shares held by each shareholder holding more than 5% shares

Sl. No.	Particulars	As at 31st March, 2014		As at 31st March, 13	
		Total No. of Shares	Holding (%)	Total No. of Shares	Holding (%)
1	Mint Investment Ltd.	-	-	24,500	49.00
2	Trimplex Investments Pvt. Ltd.	-	-	25,000	50.00
3	Dhunseri Petrochem & Tea Limited	50,000	100.00	-	-

Note : 2.2 Reserves & Surplus

	<u>Surplus / (Deficit) in Statement of Profit and Loss</u> Profit / (Loss) brought forward from previous year Add: Profit / (Loss) for the year	(20,982) 40,750	(30,723) 9,741
	<u>Transferred to :</u> General Reserve	-	-
Total		19,768	(20,982)

Note : 2.3 Long - Term Provisions

1	Provision for Taxation - MAT (A/Y 2008-09)	1,375	1,375
2	Provision for Taxation - MAT (A/Y 2009-10)	464	464
Total		1,839	1,839

Note : 2.4 Trade Payables

1	Sundry Creditors	32,706	43,644
	Total	32,706	43,644

DHUNSERI TEA AND INDUSTRIES LIMITED

(FORMERLY: DHUNSERI SERVICES LIMITED)

Notes forming part of the financial statements as at 31st March, 2014

(Figures in Rs.)

Note : 2.5 Short Term Provisions

1	Provision for Taxation - MAT (A/Y 2014-15)	9,450	-
2	Provision for Taxation - MAT (A/Y 2013-14)	-	3,088
	Total	9,450	3088

Note : 2.6 Long Term Loans and Advances

1	Balance with Government Authorities		
	(i) MAT Credit Entitlement (A/Y 2008-09)	1,375	1,375
	(ii) MAT Credit Entitlement (A/Y 2009-10)	464	464
	Total	1,839	1,839

Note : 2.7 Cash & Cash Equivalents

1	Balances with Banks		
	(i) In Current Accounts		
	State Bank of India	8,971	17,108
	Sub Total (A)	8,971	17,108
	(ii) In Deposit Accounts		
	Fixed Deposit with State Bank of India	5,44,609	5,02,499
	Sub Total (B)	5,44,609	5,02,499
	Total [A + B]	5,53,580	5,19,607

Note : 2.8 Short - Terms Loans and Advances

	Balance with Government Authorities		
	(i) MAT Credit Entitlement (A/Y 2014-15)	609	-
	(ii) MAT Credit Entitlement (A/Y 2013-14)	-	3,088
	(iii) TDS Receivables (A/Y 2012-13)	3,056	3,056
	(iv) TDS Receivables (A/Y 2013-14)	4,679	-
	Total	8,344	6,144

DHUNSERI TEA AND INDUSTRIES LIMITED
(FORMERLY: DHUNSERI SERVICES LIMITED)
Notes forming part of the financial statements as at 31st March, 2014

(Figures in Rs.)

Sl. No.	Particulars	As at 31st March, 2014	As at 31st March, 2013
---------	-------------	------------------------	------------------------

Note : 2.9 Other Income

1	<u>Interest Income</u>		
	Interest from Banks on Deposits	46,789	30,555
2	Liability written back	30,162	-
	Total	76,951	30,555

Note : 2.10 Other Administrative Expenses

1	Rates & Taxes	9,700	-
2	Profession Tax	2,500	2,500
3	Filing Fees	4,740	2,005
4	Bank Charges	-	3,100
5	Auditors' Remuneration	6,742	6,742
6	Professional Fees	3,678	-
	Total	27,360	14,347

Note : 2.11 Notes on Accounts

2.11.1 Considering the matter of prudence the company has not recognized the Deferred Tax Asset on losses.

2.11.2 The company is a subsidiary of Dhunseri Petrochem & Tea Limited.

2.11.3 Earning Per Share calculated in accordance with the provision of AS-20

Particulars	As at 31.03.2014	As at 31.03.2013
Profit after tax as per Profit and Loss Accounts	40,750	9,741
Number of Equity Shares (Face Value of Rs. 10/- each)	50,000	50,000
Basis Earning per share (Rs./ Share) (Face Value of Rs. 10/- each)	0.82	0.19
Diluted Earning per share (Rs./ Share) (Face Value of Rs. 10/- each)	0.82	0.19

2.11.4 The Company has not received any memorandum (as required to be filed by the supplier with the notified authority under the Micro, Small and Medium Enterprise Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently, the amount paid/payable to these parties during the year is nil.

2.11.5 Figures have been rounded off to nearest rupee.

2.11.6 Previous year's figures have been regrouped/reclassified, wherever necessary.

SUMIT KUMAR MEHARIA, ACA, PROPRIETOR

Membership No. 068735

For and on behalf of

MEHARIA & ASSOCIATES

Chartered Accountants

Firm Regn. No: 327845E

Place: Kolkata

Dated: The 14th August, 2014

For and on behalf of the Board of Directors

C. K. Dhanuka

P C Dhandhanania

K K Tibrewalla

FINANCIAL AND OTHER INFORMATION OF COMPANIES UNDER THE SAME MANAGEMENT

The top five listed companies which are the part of our group are as follows:

1. Dhunseri Petrochem Limited
2. Dhunseri Investments Limited
3. Mint Investments Limited
4. Naga Dhunseri Group Limited
5. Plenty Valley Intra Limited

1. Dhunseri Petrochem Limited (DPL)

Dhunseri Petrochem Limited was originally incorporated with the name Dhunseri Tea Company Limited on May 11, 1916 under the Companies Act, 1913 and received the certificate to commence business on June 10, 1916. The name was changed to Dhunseri Tea & Industries Limited on June 27, 1970. The name further changed to Dhunseri Petrochem & Tea Limited on July 1, 2010. The name of the Company has been further changed to Dhunseri Petrochem Limited. The Registrar of Companies, West Bengal has issued the revised certificate of incorporation consequent upon the change of name dated September 9, 2014.

The Registered Office of the Company is situated at 'Dhunseri House', 4A, Woodburn Park, Kolkata 700 020 in the State of West Bengal.

The equity shares of Dhunseri Petrochem Limited are listed on the NSE and BSE.

DPL's first business was cultivation and production of tea at its tea estates in the State of Assam having two strong brands namely, 'Lal Ghora' and 'Kala Ghora'. Later, DPL acquired the Bottle Grade PET Resin business of South Asian Petrochem Limited at Haldia in the State of West Bengal in terms of a Scheme of Arrangement with effect from April 1, 2009.

The entire tea business of DPL including those held through subsidiaries has been demerged to Dhunseri Tea & Industries Limited pursuant to the Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court vide its order dated August 7, 2014 with effect from the appointed date i.e. April 1, 2014.

The PET business of DPL had a capacity of 2,00,000 metric tonnes (MT) of PET Resin in 2009 in its plant in Haldia. An additional capacity of 2,10,000 MT per annum was installed and commissioned in the plant at Haldia with effect from November 15, 2012. Further, between July 2010 and March 2012, DPL has also acquired 70% of the total equity capital of Egyptian Indian Polyester Company S.A.E., a company which has undertaken a greenfield plant in Egypt for production of 4,20,000 MT per annum of PET Resin.

Corporate Identity Number: L15492WB1916PLC002697

Board of Directors

The Board of Directors of DPL comprises of:

Name	Status
Mr. Chandra Kumar Dhanuka	Executive Chairman
Mr. Mrigank Dhanuka	Vice Chairman & Managing Director
Mr. Pradip Kumar Khaitan	Non-Executive Non-Independent Director
Mr. Joginder Pal Kundra	Independent Director
Dr. Basudeb Sen	Independent Director
Mr. Raj Narain Bhardwaj	Independent Director
Mr. Yves F. Lombard	Non-Executive Non-Independent Director
Mr. Anurag Bagaria	Independent Director
Mr. Dharam Pal Jindal	Independent Director

Dhunseri Tea & Industries Limited -Information Memorandum

Name	Status
Ms. Shraddha Mookim	Independent Director
Mr. Biswanath Chattopadhyay	Managing Director & CEO
Mr. Rajiv Kumar Sharma	Executive Director (Finance)

Shareholding Pattern

The shareholding pattern of DPL as on September 30, 2014 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	23,565,682	67.28
Public	11,459,072	32.72
Total	35,024,754	100.00

Change in Management

There has been no change in the management of DPL during the last three years.

Financial Performance

Financial performance of DPL for the last three years is as follows:

Particulars	(₹ in crores)		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Total Income	3,911.77	2,276.19	2,004.53
Profit after Tax	74.71	76.94	49.49
Equity Capital	35.03	35.03	35.03
Reserves & Surplus (excluding revaluation reserve)	805.84	754.51	711.58
Net worth	840.87	789.54	746.61
NAV per share	240.04	225.39	213.13
Earnings per share (EPS) (Basic) in ₹	21.33	21.97	14.13
Earnings per share (EPS) (Diluted) in ₹	21.33	21.70	13.46
No. of Equity Shares of ₹1/- each	3,50,24,754	3,50,24,754	3,50,24,754

Particulars of high and low prices of the shares of DPL during the preceding six months are as under:

Months	BSE		NSE	
	High Price (₹)	Low Price(₹)	High Price (₹)	Low Price(₹)
May, 2014	148.10	116.10	148.90	114.65
June, 2014	150.80	120.00	1510	120.10
July, 2014	161.50	133.00	162.40	1310
August, 2014	153.00	130.00	148.85	129.50
September, 2014	187.75	96.00	187.85	95.70
October, 2014	109.70	87.20	108.95	86.10

Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum - Nil

Details of public or rights issue in the preceding three years - Nil

Information regarding significant adverse factors related to the group companies:

- DPL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;
- DPL has not made loss in the immediately preceding year.
- DPL has not remained defunct and no application has been made to the Registrar of Companies for striking off

Dhunseri Tea & Industries Limited -Information Memorandum

- the name of the company during the five years preceding the date of filing the Information Memorandum.
- d. The Promoters have not disassociated themselves from DPL during the three years preceding the date of filing the Information Memorandum.

2. Dhunseri Investments Limited (DIL)

Dhunseri Investments Limited was originally incorporated as a public limited company under the name and style of Dhunseri Marketing Limited on February 4, 1997, under the Companies Act, 1956. It had got its certificate for commencement of business on February 14, 1997. The name of the Company was changed from Dhunseri Marketing Limited to DI Marketing Limited pursuant to a fresh certificate dated January 3, 2000 issued by the Registrar of Companies, West Bengal. Subsequently, the name changed to Dhunseri Investments Limited pursuant to a fresh certificate of incorporation dated July 16, 2010.

The Registered Office of the Company is situated at 'Dhunseri House', 4A, Woodburn Park, Kolkata 700 020 in the State of West Bengal.

The company is an Investment Company registered with Reserve Bank of India as a Non Banking Financial Company.

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

Corporate Identity Number: L15491WB1997PLC082808

Board of Directors

The Board of Directors of DIL comprises of:

Name	Status
Mr. Mrigank Dhanuka	Managing Director
Mr. Aruna Dhanuka	Non-Executive Non-Independent Director
Mr. Chandra Kumar Dhanuka	Non-Executive Non-Independent Director
Mr. Basudeo Beriwal	Independent Director
Mr. Ashok Kumar Lohia	Independent Director
Mr. Amit Gupta	Independent Director
Mr. Brijesh Kumar Biyani	Non-Executive Non-Independent Director
Mr. Adarsh Garodia	Independent Director

Shareholding Pattern

The shareholding pattern of DIL as on September 30, 2014 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	43,91,584	75.00
Public	14,63,864	25.00
Total	58,55,448	100.00

Change in Management

There has been no change in the management of DIL during the last three years.

Dhunseri Tea & Industries Limited -Information Memorandum

Financial Performance

Financial performance of DIL for the last three years is as follows:

(₹ in Lacs)			
Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Total Income	979.03	835.86	919.96
Profit after Tax	797.85	694.16	776.41
Equity Capital	585.54	585.54	585.54
Reserves & Surplus (excluding revaluation reserve)	18,532.25	17,820.03	17,211.50
Net worth	19,117.79	18,405.57	17,797.04
NAV per share	326.50	314.33	303.94
Earnings per share (EPS) (Basic) in ₹	13.63	11.85	13.26
Earnings per share (EPS) (Diluted) in ₹	13.63	11.85	13.26
No. of Equity Shares of ₹10/- each	58,55,448	58,55,448	58,55,448

Particulars of high and low prices of the shares of DIL during the preceding six months are as under:

Months	BSE		NSE	
	High Price (₹)	Low Price(₹)	High Price (₹)	Low Price(₹)
May, 2014	69.85	56.25	68.00	55.75
June, 2014	81.00	63.05	83.65	60.10
July, 2014	82.00	68.15	84.00	70.00
August, 2014	78.00	67.00	79.95	65.70
September, 2014	129.75	74.00	127.00	71.20
October, 2014	108.00	86.00	107.95	84.00

Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum - Nil

Details of public or rights issue in the preceding three years - Nil

Information regarding significant adverse factors related to the group companies:

- DIL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;
- DIL has not made loss in the immediately preceding year.
- DIL has not remained defunct and no application has been made to the Registrar of Companies for striking off the name of the company during the five years preceding the date of filing the Information Memorandum.
- The Promoters have not disassociated themselves from DIL during the three years preceding the date of filing the Information Memorandum.

3. Mint Investments Limited (MIL)

MIL was incorporated as a public limited company on January 11, 1974, under the Companies Act, 1956. It had got its certificate for commencement of business on January 29, 1974.

The Registered Office of the Company is situated at 'Dhunseri House', 4A, Woodburn Park, Kolkata 700 020 in the State of West Bengal.

The company is an Investment Company registered with Reserve Bank of India as a Non Banking Financial Company.

The shares of MIL are listed on The Calcutta Stock Exchange Limited.

Corporate Identity Number: L15142WB1974PLC029184

Dhunseri Tea & Industries Limited -Information Memorandum

Board of Directors

The Board of Directors of MIL comprises of:

Name	Status
Mrs. Bharati Dhanuka	Managing director
Mr. C. K. Dhanuka	Non-Executive Non- Independent Director
Mr. Mrigank Dhanuka	Non-Executive Non- Independent Director
Mrs. Aruna Dhanuka	Non-Executive Non- Independent Director
Mr. M. L. Khemka	Independent Director
Mr. Yashwant Kumar Daga	Independent Director
Mr. B. L. Chandak	Independent Director
Mr. Anil Bhutoria	Independent Director

Shareholding Pattern

The shareholding pattern of MIL as on September 30, 2014 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	3,917,340	70.71
Public	1,622,660	29.29
Total	5,540,000	100.00

Change in Management

There has been no change in the management of MIL during the last three years.

Financial Performance

Financial performance of MIL for the last three years is as follows:

(₹ in Lacs)			
Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Total Income	1,731.18	1,608.35	922.35
Profit after Tax	47.72	286.84	297.02
Equity Capital	554.00	554.00	554.00
Reserves & Surplus (excluding revaluation reserve)	5,819.90	5,804.59	5,550.16
Net worth	6,373.90	6,358.59	6,104.16
NAV per share	115.05	114.78	110.18
Earnings per share (EPS) (<i>Basic</i>) in ₹	0.86	5.18	5.36
Earnings per share (EPS) (<i>Diluted</i>) in ₹	0.86	5.18	5.36
No. of Equity Shares of ₹10/- each	55,40,000	55,40,000	55,40,000

Particulars of high and low prices of the shares of MIL during the preceding six months are as under:

There has been no trading in the equity shares of the MIL on the Calcutta Stock Exchange Limited since many years.

Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum - Nil

Details of public or rights issue in the preceding three years - Nil

Dhunseri Tea & Industries Limited -Information Memorandum

Information regarding significant adverse factors related to the group companies:

- a. MIL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;
- b. MIL has not made loss in the immediately preceding year.
- c. MIL has not remained defunct and no application has been made to the Registrar of Companies for striking off the name of the company during the five years preceding the date of filing the Information Memorandum.
- d. The Promoters have not disassociated themselves from MIL during the three years preceding the date of filing the Information Memorandum.

4. Naga Dhunseri Group Limited (NDGL)

Naga Dhunseri Group Limited was originally incorporated as Naga Hills Tea Co. Ltd. on August 26, 1918 pursuant to The Indian Companies Act, 1913. It had got its certificate for commencement of business on December 18, 1920. On September 17, 1990, the name of the Company was changed to Naga Dhunseri Holding Group Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies West Bengal. The name was further changed to Naga Dhunseri Group Limited and a fresh certificate of incorporation dated March 7, 1995 consequent upon the change of name was issued by the Registrar of Companies, West Bengal.

The registered office of NDGL is situated at Dhunseri House", 4A, Woodburn Park, Kolkata- 700 020.

The company is an Investment Company registered with Reserve Bank of India as a Non Banking Financial Company.

The equity shares of NDGL are listed on The Calcutta Stock Exchange Limited.

Corporate Identity Number: L01132WB1918PLC003029

Board of Directors

The Board of Directors of NDGL comprises of:

Name	Status
Mrs. Aruna Dhanuka	Managing director
Mr. C. K. Dhanuka	Non-Executive Non-Independent Director
Mr. Mrigank Dhanuka	Non-Executive Non-Independent Director
Mr. Indra Kishore Kejriwal	Independent Director
Mr. Rajeev Rungta	Independent Director
Mr. Gobind Ram Goenka	Independent Director

Shareholding Pattern

The shareholding pattern of NDGL as on September 30, 2014 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	735,826	73.58
Public	264,174	26.42
Total	1,000,000	100.00

Change in Management

There has been no change in the management of NDGL during the last three years.

Financial Performance

Financial performance of NDGL for the last three years is as follows:

(₹ in Lacs)			
Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012
Total Income	561.87	1,737.07	977.40
Profit after Tax	69.49	523.67	272.91
Equity Capital	100.00	100.00	100.00
Reserves & Surplus (excluding revaluation reserve)	5,488.68	5,442.59	4,938.67
Net worth	5,588.68	5,542.59	5,038.67
NAV per share	558.87	554.26	503.87
Earnings per share (EPS) (<i>Basic</i>) in ₹	6.95	52.37	27.29
Earnings per share (EPS) (<i>Diluted</i>) in ₹	6.95	52.37	27.29
No. of Equity Shares of ₹10/- each	10,00,000	10,00,000	10,00,000

Particulars of high and low prices of the shares of NDGL during the preceding six months are as under:

There has been no trading in the equity shares of the NDGL on the Calcutta Stock Exchange Limited since many years.

Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum - Nil

Details of public or rights issue in the preceding three years - Nil

Information regarding significant adverse factors related to the group companies:

- NDGL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;
- NDGL has not made loss in the immediately preceding year.
- NDGL has not remained defunct and no application has been made to the Registrar of Companies for striking off the name of the company during the five years preceding the date of filing the Information Memorandum.
- The Promoters have not disassociated themselves from NDGL during the three years preceding the date of filing the Information Memorandum.

5. Plenty Valley Intra Limited (PVIL)

Plenty Valley Intra Limited was originally incorporated as Plenty Valley Timber & Coffee Limited on July 21, 1989 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, West Bengal. PVIL had got the certificate of commencement of business on August 18, 1989. The name of the Company was changed to Plenty Valley Intra Limited and a fresh certificate of incorporation dated September 17, 1996, consequent upon the change of name was issued by the Registrar of Companies, West Bengal.

The registered office of PVIL is situated at Dhunseri House", 4A, Woodburn Park, Kolkata - 700020.

The Company is an Investment Company registered with Reserve Bank of India as a Non Banking Financial Company.

The equity shares of PVIL are listed on the Calcutta Stock Exchange Limited and Madras Stock Exchange Limited.

Corporate Identity Number: L51431WB1989PLC047277

Dhunseri Tea & Industries Limited -Information Memorandum

Board of Directors

The Board of Directors of PVIL comprises of:

Name	Status
Mrs. Aruna Dhanuka	Managing director
Mr. C. K. Dhanuka	Non-Executive Non-Independent Director
Mr. Mrigank Dhanuka	Non-Executive Non-Independent Director
Mr. Purushottam Jagannath Bhide	Independent Director
Mr. Rajendra Kumar Gupta	Independent Director
Mr. Ramesh Chandak	Independent Director
Ms. Aarti Bansal Aggarwal	Independent Director
Mr. Rajyavardhan Kejriwal	Independent Director

Shareholding Pattern

The shareholding pattern of PVIL as on September 30, 2014 is as follows:

Particulars	No. of shares	% of Shareholding
Promoters and Promoters Group	2,056,300	41.13
Public	2,943,700	58.87
Total	5,000,000	100.00

Change in Management

There has been no change in the management of PVIL during the last three years.

Financial Performance

Financial performance of PVIL for the last three years is as follows:

Particulars	(₹ in Lacs)		
	Fiscal 2014	Fiscal 2013	Fiscal 2012
Total Income	382.77	328.69	211.63
Profit after Tax	85.85	35.17	(4.17)
Equity Capital	500.00	500.00	500.00
Reserves & Surplus (excluding revaluation reserve)	1,438.81	1,352.96	1,317.79
Net worth	1,938.81	1,852.96	1,817.79
NAV per share	38.78	37.06	36.36
Earnings per share (EPS) (<i>Basic</i>) in ₹	1.72	0.70	(0.08)
Earnings per share (EPS) (<i>Diluted</i>) in ₹.	1.72	0.70	(0.08)
No. of Equity Shares of ₹ 10/- each	50,00,000	50,00,000	50,00,000

Particulars of high and low prices of the shares of PVIL during the preceding six months are as under:

There has been no trading in the equity shares of the PVIL on the Calcutta Stock Exchange Limited and the Madras Stock Exchange Limited since many years.

Details of changes in capital structure during the six months preceding the date of filing of this Information Memorandum - Nil

Details of public or rights issue in the preceding three years - Nil

Dhunseri Tea & Industries Limited -Information Memorandum

Information regarding significant adverse factors related to the group companies:

- a. PVIL has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;
- b. PVIL has not made loss in the immediately preceding year.
- c. PVIL has not remained defunct and no application has been made to the Registrar of Companies for striking off the name of the company during the five years preceding the date of filing the Information Memorandum.
- d. The Promoters have not disassociated themselves from PVIL during the three years preceding the date of filing the Information Memorandum.

SUBSIDIARIES

The Company has the following subsidiaries:

1. Dhunseri Petrochem & Tea Pte Limited, Singapore
2. Makandi Tea and Coffee Estates Limited, Africa
3. Kawalazi Estate Company Limited, Africa

The Company through its Singapore subsidiary, namely Dhunseri Petrochem & Tea Pte Limited, holds controlling interest in Makandi Tea and Coffee Estates Limited and Kawalazi Estate Company Limited.

Makandi Tea and Coffee Estates Limited and Kawalazi Estate Company Limited are the step-down subsidiaries of the Company, having large tea plantations in Malawi in Africa with a combined capacity of production of 94 Lakhs kg of bulk tea.

V. LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

- **Case Pending against DTIL**

As on the date there are no outstanding litigation matter pending against the Company.

- **Case Pending against Promoter**

As on the date there are no outstanding litigation matter pending against the Promoter.

- **Case Pending against Director**

As on the date there are no outstanding litigation matter pending against the Directors.

- **Case Pending against Group Companies**

Dhunseri Petrochem Limited

Nature of the matter	CP No. /Case/ Appl. No.	No. of matters	Current Status
Criminal case in Alipore Court in respect Section 68 - Erstwhile SAPL	Case No. C/5563/2009	1	Quashing application (C.R.R. No.1748 of 2010) filed by the Company on the plea that no criminality is made out from the complaint copy and the complaint is barred by limitation. There is an interim order of the High Court staying all proceedings in the criminal case no. C/5563/2009 which continues. The matter is pending in the High Court. The offence alleged is Compoundable.
Criminal case in Alipore Court in respect Section 628- Erstwhile SAPL	Case No. C/5562/2009	1	Quashing application (C.R.R. No.1747 of 2010) filed by the Company on the plea that no criminality is made out from the complaint copy and the complaint is barred by limitation. There is an interim order of the High Court staying all proceedings in the criminal case no. C/5562/2009 which continues. The matter is pending in the High Court. The offence is Non Compoundable.

FINANCIAL INDEBTNESS

1. Term Loan					
Name of the Bank	Sanctioned Amount (Rs.)	Outstanding as on Sep 30, 2014 (Rs.)	Rate of Interest %	Repayment Schedule	Security
Axis Bank Limited	19,00,00,000	6,00,00,000	10.25	Quarterly Rs. 1.00 Crore	Secured by way of first charge, pari-passu, on certain Fixed Assets of the Company (including Capital work in progress & equitable mortgage on the tea estates) along with the working capital bankers and further by any other security as may be stipulated by the Bank.
2. Short Term Working Capital Loan					
HDFC Bank Limited	15,00,00,000	15,00,00,000	10.00	Since paid on 14-Oct-2014	Unsecured
FCNR (B) Loan - HDFC Bank Limited	12,32,27,000	12,32,27,000	3.2759	Full amount due on 23-Dec-2014	
3. Cash Credit					
Name of the Bank	Sanctioned Amount (Rs.)	Availed as on 30th September' 2014 (Rs.)	Rate of Interest %	Security	
State Bank of India	16,00,00,000.00	1,85,58,404.43	12.25	Primary Security : Hypothecation of Stock of Tea including green leaves before and after plucking, tea with brokers agents, stores and all other current assets of the company on pari-passu basis with member banks of the consortium and Collateral Security : Mortgage of 10 (ten) tea estates of the company	
United Bank of India	16,00,00,000.00	3,09,81,002.05	11.25	Same as above	
Punjab National Bank	15,00,00,000.00	8,01,39,392.37	12.50	Same as above	
DCB Bank Limited	9,00,00,000.00	80,604,243.07	10.85	Same as above	
Bank of Baroda	9,00,00,000.00	-	13.00	Same as above	
Total	65,00,00,000.00	210,283,041.92			

GOVERNMENT APPROVALS

Our Company was incorporated on October 7, 1997 under the Companies Act, 1956 as a public limited company under the name and style of Dhunseri Services Limited. The certificate of commencement of business was issued to the Company on November 18, 1997. The name of the Company has been changed to Dhunseri Tea & Industries Limited and a fresh certificate of incorporation dated February 5, 2014, consequent upon the change of name was issued by the Registrar of Companies, West Bengal.

With effect from the Appointed Date i.e. April 1, 2014 and upon the Scheme becoming effective, any statutory or other licences, permissions or approvals or consents held by Dhunseri Petrochem Limited (formerly known as Dhunseri Petrochem & Tea Limited) required to carry on operations in the Tea Division shall stand vested in or transferred to our Company, without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory or other authorities concerned therewith in favour of our Company. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents including the statutory or other licences, tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Tea Division shall vest in and become available to our Company pursuant to the Scheme. Any no-objection certificates, licences, permissions, consents, approvals, authorizations, registrations or statutory rights as are jointly held by the Tea Division and any other undertaking of Dhunseri Petrochem Limited shall be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights of the Tea Division on the one hand and Dhunseri Petrochem Limited on the other.

VI. REGULATORY AND STATUTORY DISCLOSURES

Authority for the scheme

The Hon'ble High Court of Judicature at Calcutta, by its order dated August 7, 2014 has approved the Scheme of Arrangement between Dhunseri Petrochem Limited (Formerly known as Dhunseri Petrochem & Tea Limited), Dhunseri Tea & Industries Limited (Formerly known as Dhunseri Services Limited) and Dhunseri Infrastructure Limited (Formerly known as Dhanurveda Infrastructure Private Limited) and their respective shareholders.

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Disclaimer Statement by the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk.

Listing

Application has been made to NSE and BSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated National Stock Exchange of India Limited as the Designated Stock Exchange for the aforesaid listing of shares. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within such period as approved by SEBI.

In Principle Approval from BSE & NSE

The Company has received in-principle approval for Listing from BSE bearing no. [●] dated [●] and from NSE bearing no. [●] dated [●].

SEBI Relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957

The Securities and Exchange Board of India has given relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 to the company vide their letter [●] dated [●].

Disclaimer of NSE

As required, a copy of the Draft Information Memorandum was submitted to NSE. The NSE has vide its letter dated May 5, 2014 approved the Scheme of Arrangement filed by Dhunseri Petrochem Limited (Formerly known as Dhunseri Petrochem & Tea Limited) under clause 24(f) of the Listing Agreement. The NSE has vide its letter dated [●] has given approval for listing of 70,04,951 equity shares of Rs.10/- each subject compliance of conditions mentioned therein.

Disclaimer of BSE

As required, a copy of the Draft Information Memorandum was submitted to BSE. The BSE has vide its letter dated May 2, 2014 approved the Scheme of Arrangement filed by Dhunseri Petrochem Limited (Formerly known as Dhunseri Petrochem & Tea Limited) under clause 24(f) of the Listing Agreement. The BSE has vide its letter dated [●] has given approval for listing of 70,04,951 equity shares of Rs.10/- each, subject compliance of conditions mentioned therein.

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No Objection from NSE & BSE

The NOC from NSE & BSE was received on May 5, 2014 and May 2, 2014.

Filing

Copy of this Information Memorandum has been filed with NSE & BSE.

Demat Credit and dispatch of Share Certificates

The Company has executed Agreements with NSDL and CDSL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE341R01014.

The Equity Shares have been allotted to the shareholders on September 22, 2014 and credited to the respective account of the shareholders who were holding shares in DPTL in demat form as on Record Date i.e. September 19, 2014. Further, those shareholders who were holding shares in DPTL in physical form as on Record Date, the physical shares certificates has been dispatched to them. Further, the equity shares have also been credited to the demat account of those shareholder who were holding shares in DPTL in physical form and have intimated the Company their demat account number for receiving shares in demat form.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Previous Rights and Public Issues

The Company has not made any public or rights issue since incorporation.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the same management

The Company has following listed companies in the group:

1. Dhunseri Petrochem Limited
2. Dhunseri Investments Limited
3. Mint Investments Limited
4. Naga Dhunseri Group Limited
5. Plenty Valley Intra Limited
6. Trimplex Investments Limited

The Company has the following subsidiaries:

1. Dhunseri Petrochem & Tea Pte Limited, Singapore
2. Makandi Tea and Coffee Estates Limited, Africa
3. Kawalazi Estate Company Limited, Africa

Promise vis-a-vis Performance

This is for the first time the Company is getting listed on the Stock Exchanges.

Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued By the Issuer Company

There are no outstanding debentures, bonds, redeemable preference shares or any other instruments issued by the Company.

Stock Market Data for Equity Shares of the Company

Equity shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of its equity shares through this Information Memorandum.

Disposal of Investor Grievances

Maheshwari Datamatics Private Limited is the Registrars and Share Transfer Agents of the Company to accept the documents/requests/complaints from the investors/shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding in the respective processing units.

The documents are, thereafter, processed and necessary action taken by professionally trained personals with a view to redress the matters accordingly.

The Company also has set up a secretarial department to deal with all investor related matters and all necessary actions are initiated by trained and experienced personnel with a view to redress the investor related issues at the earliest to the satisfaction of the investors.

Maheshwari Datamatics Private Limited maintains an age-wise analysis of the process to ensure that the standards are duly adhered to and Mr. R Mahadevan, the Company Secretary of the Company is vested with the responsibility of addressing the Investors Grievance in coordination with the Registrars & Share Transfer Agents.

MAIN PROVISION OF ARTICLES OF ASSOCIATION OF THE COMPANY

SHARES

3. Share Capital

The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided under clause no. V of the Memorandum of Association of the Company.

4. Allotment of Shares

Subject to the provisions of these Articles and of the Act, the Shares shall be under the control of the Board, who may allot or otherwise dispose of the same to such persons as the Board may think fit.

Provided that option or right to call or share shall not be given to any person or persons without the sanction of the Company in General Meeting.

5. Commission for placing shares

The Company may subject to compliance with the provisions of the Act exercise the power of paying commission. The Company may also pay a reasonable sum as brokerage.

6. Shares at a discount

With the previous authority of the Company in General Meeting and the sanction of the Court and upon otherwise complying with the provisions of the Act, the Board may issue at a discount, shares of a class already issued.

7. Redeemable Preference Shares

Subject to the provisions of the Act the Company may issue Preference Shares which are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company may determine.

8. Installments on shares to be duly paid

If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being shall be the member registered in respect of the share or by his executor or administrator.

9. Liability of Joint holders of Shares

Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.

10. Who may be registered

Shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as joint holders of any share.

CERTIFICATES

11. Certificates

The Certificates of title to shares and duplicates thereof when necessary shall be issued under the Seal of the Company in accordance with the provisions of the Act and the rules prescribed there under.

12. Members' right to Certificates

Every member shall be entitled to one certificate for all the shares of each class registered in his name, or if the Board so approve to several certificate each for one or more of such shares but in respect of each additional certificate the Directors shall be entitled to charge a fee not exceeding Rs. 2/- if they so decide.

13. To which of joint holders Certificates to be issued

The Certificates of shares registered in the name of two or more persons shall be delivered to the person's first name on the Register.

CALLS

14. Calls

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of the Act, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Directors. A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed.

15. Restriction on power to make calls

No calls shall be made payable within one month after the last preceding call was payable. Not less than fourteen days notice of any call shall be given specifying the time and place of payment and to whom such calls shall be paid. The option or right to call on shares shall not be given to any person other than the Board of Directors.

16. When interest on call or installment payable

If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due shall pay interest for the same at the rate of 12 percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such other rate as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. Amount payable at fixed times or by installments payable as calls

If by the terms of issue of any shares or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount of the shares or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount of installment accordingly.

18. Evidence in actions by Company against shareholders

On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

19. Payment of calls in advance

The Board may, if they think fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the Board think fit, provided that any amount paid up in advance on shares shall not in respect thereof confer a right to dividend or to participate in profits.

20. Revocation of call

A call may be revoked or postponed at the discretion of the Board.

FORFEITURE AND LIEN

21. If call or installment not paid notice may be given

If any member fails to pay any call or installment on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and expenses that may have been incurred by the Company by reason of such non-payment.

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22. Form of notice

The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

23. If notice not complied with share may be forfeited

If the requisitions of any such notice as aforesaid be not complied with, any shares, in respect of which notice has been given, may at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

24. Notice after forfeiture

When any share shall have been so forfeited, notice of forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by an omission or neglect to give notice or to make such entry as aforesaid.

25. Forfeited share to become property of the Company

Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as they think fit.

26. Power to annul forfeiture

The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

27. Liability on forfeiture

Any member whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon, from time of forfeiture until payment at the rate of 12 percent per annum and the Directors may enforce payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

28. Evidence of forfeiture

A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares, and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

29. Company's lien on shares

(1) The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called, or payable at a fixed time in respect of that share. Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
(2) The Company's lien, if any, on a share shall extend to all dividends payable thereon.

30. As to enforcing lien by sale

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien.
Provided that no sale shall be made –

- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the shares or the person entitled thereto by reason of his death or insolvency.

31. Validity of sale

- (1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

32. Application of sale proceeds

- (1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (2) The residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the person entitled to the shares at the date of the sale.

33. Board may issue new Certificates

Where any shares under the powers in that behalf herein contained are sold by the Board and the Certificate thereof has not been delivered upto the Company by the former holder of the said shares, the Board may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

34. Registration of transfer of shares

Subject to the provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or, if no such certificate is in existence, the letter of allotment of the shares. The transferor shall be deemed to remain the member in respect of such share until the name of the transferee is entered in the Register in respect thereof.

35.

Transfer of shares or consolidation of share certificates in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of very small denominations or to consider a proposal for transfer of shares comprised in a share certificate to several parties, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need.

36. Form of transfer

The instrument of transfer shall be in the form prescribed by the Act or the Rules made there under or where no such form is prescribed in the usual common form or any other form approved by Stock Exchange in India or as near thereto as circumstances will admit.

37. Application by transferor

Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall in the case of a partly paid shares be effected unless the Company gives notice of the application to the transferee in the manner prescribed by the provisions of the Act, and subject to the provisions of these Articles of the Company, shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

38. In what cases Board may refuse to register transfer

The Directors may decline to register any transfer of shares, subject to the provisions of the Act, Section 22A of the Securities Contracts (Regulation) Act, 1956, or any other law for the time being in force and whether the transferee is a member of the Company or not, giving reasons for such refusal and may also decline to register any transfer of shares on which the Company has a lien. The registration of a transfer shall be conclusive evidence of the approval by the Board of the transferee but so far only as regards the share or shares in respect of which the transfer is so registered and not further or in respect of other transfer of other shares applied for in the name of such transferee or otherwise. Provided however registration of a transfer shall not be refused on the grounds of the transferor being either alone or

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jointly with any other person or persons indebted to the Company or any account whatsoever, unless the Company has a lien on the shares.

39. No transfer to minor, etc

No transfer shall be made to a minor or person of unsound mind.

40. Transfer to be left at Office and when to be retained

Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the shares to be transferred or if no such certificate is in existence by the letter of allotment of the shares and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the shares. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

41. Notice of refusal to register transfer

If the Board refuses to register the transfer of any shares, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.

42. No fee to be charged

No fee shall be charged by the Company for registration of any transfer, probate etc.

43. Transmission of registered shares

The executors or administrators of a deceased member (not being one of several joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and in case of the death of any one or more of the joint holders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Before recognizing any executor or administrator the Directors may require him to obtain a Grant of Probate or Letters of Administration or other legal representation as the case may be from some competent Court. Provided nevertheless that in any case where the Directors in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Directors in their absolute discretion, may consider necessary.

44. As to transfer of shares of insane, minor, deceased or bankrupt

Any committee or guardian of a lunatic or minor member or any person becoming entitled to transfer of share in consequence of the death, bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title as the Directors think sufficient may with the consent of the Directors (which they shall not be under any obligation to give) be registered as a member in respect of such shares, or may subject to the regulations as to transfer herein before contained, transfer such shares. This Article is herein-after referred to as "Transmission Article".

45. Nomination

Notwithstanding anything contained in Articles 42 & 43 or in any other law for the time being in force, where a nomination has been made in the manner prescribed in the provisions of the Act, purporting to confer on any person the right to vest the shares in, or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner and the provisions contained in the Act, shall be applicable to such cases.

46. Election under the Transmission Articles

(1) If the person so becoming entitled under the Transmission Article shall elect to be registered as a member in respect of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the share he shall testify his election by executing an instrument of transfer of the share.

(3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of an instrument of transfer of a share shall be applicable to any notice of transfer as aforesaid as if the death, lunacy,

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bankruptcy or insolvency of the member had not occurred and the notice of transfer was a transfer signed by that member.

47. Right of persons entitled to shares under the Transmission Article

A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of a member shall, subject to the provisions of these Articles and the provisions of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the member registered in respect of the share.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

INCREASE AND REDUCTION OF CAPITAL

48. Power to increase capital

The Company may from time to time in General Meeting increase the Capital by the creation of further shares of such amount as may be deemed expedient.

49. On what conditions further shares may be issued

Subject to any special rights or privileges for the time being attached to any issued shares, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution creating the same shall direct, and if no direction be given, in the manner provided in the provisions of the Act.

50. Provisions relating to the issue

Before the issue of any further shares, the Company in General Meeting may subject to the provisions of the Act make, provisions as to the allotment and issue of the further shares and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or at a discount.

51. How far further shares to rank with shares in original capital

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of further shares shall be considered part of the then existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.

52. Inequality in number of further shares

If owing to any inequality in the number of further shares to be issued and the number of shares held by members entitled to have the offer of such further shares, any difficulty shall arise in the apportionment of such further shares or any of them amongst the members such difficulty shall, in the absence of any direction in the resolution creating the shares by the Company in General Meeting be determined by the Directors

53. Reduction of Capital etc

The Company may from time to time by Special Resolution reduce its capital and any share premium account or capital redemption reserve account in any manner and with, and subject to any incident authorized, and consent required by law.

54. Buy-Back of Shares

Subject to the provisions of the Act, the Company may purchase its own shares as and when considered necessary an upto such limits, upon such terms and conditions and subject to such approvals as permitted by law.

ALTERATION OF CAPITAL

55. Power to subdivide and consolidate

The Company by Ordinary Resolution may from time to time:-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

(b) sub-divide its share or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

(c) cancel any shares which at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

56. Sub-division into Preference and Equity

The resolution whereby any share is sub-divided may determine that as between the members registered in respect of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, Capital, voting or otherwise over or as compared with the other or others subject nevertheless to the provisions of the Act.

57. Surrender of shares

Subject to the provisions of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

CONVERSION OF SHARES INTO STOCK

58. Conversion of shares into stock and reconversion

The Company may exercise the powers of conversion of its shares into stock and vice versa and in that case Articles 37 to 39 of Table "A" to Schedule 1 of the Act shall apply.

MODIFICATION OF RIGHTS

59. Power to modify rights

Whenever the Capital (by reason of the issue of Preference shares or otherwise) is divided into different classes of shares, all or any of the rights and privileges attached to each class may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of special resolution passed at a Separate General Meeting of the holders of shares of that class subject to the provisions of the Act. All the provisions hereinafter contained as to General Meetings shall *mutatis mutandis*, apply as regards meetings if any, to be held for the purpose.

DEMATERIALIZATION OF SECURITIES

60. Definitions

(1) For the purpose of this Article :-

‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository;

‘SEBI’ means the Securities and Exchange Board of India;

‘Depository’ means a company formed and registered under the Act, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and

‘Security’ means such security as may be specified by SEBI from time to time.

Dematerialization of Securities

(2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

Options for investors

(3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of Securities.

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If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

(4) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners

(5) a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

b. Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

c. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents

(6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of securities

(7) Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of securities dealt with in a depository

(8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of securities held in a depository

(9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and index of beneficial owners

(10) The Register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and index of Members and Security holders for the purposes of these Articles.

REMATERIALISATION OF SECURITIES

61. Rematerialisation of Securities

The rematerialisation of shares held in demat form in whatever lot shall be permitted but the Company may in its absolute discretion refuse the rematerialisation, if it is required to split the demat shares into several scrips of very small denominations or if it appears to be unreasonable or without a genuine need.

BORROWING POWERS

62. Power to borrow

The Board may from time to time at their discretion raise or borrow and secure the payment of any sum or sums of money for the purpose of the Company, and may themselves lend to the Company on security or otherwise.

63. Conditions on which money may be borrowed

The Board may raise or secure the repayment of any sum or sums in such manner and upon such terms and condition in all respects as they think fit, and in particular by the creation of any mortgage or charge on the undertaking or the whole or any part of the property, present or future, or uncalled capital of the Company or by the issue of bonds, perpetual or

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redeemable, debentures or debentures-stock of the Company charged upon all or any part of the property of the Company both present and future including its uncalled capital for the time being.

64. Issue at discount etc. or with special privilege

Any debenture, debentures-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending at General Meeting of the Company, appointment of Directors and otherwise, Debentures, Debenture-stocks, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued, subject to the provisions of the Act.

Debentures/Bonds, Debenture-Stock or other Securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

65. Transfer and Transmission of Debentures

The provisions of Articles 34 to 45 hereof shall also apply in respect of transfer and transmission of Debentures as are applicable to shares.

121. General Powers of the Company vested in the Board

Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of any law and of these presents and to any regulations not being inconsistent with these presents from time to time made by the Company in General Meeting; provided that no regulation so made shall invalidate any prior act of the Board, which would have been valid if such regulation had not been made.

122. Power to delegate

Without prejudice to the general powers conferred by the preceding article the Board may from time to time and at any time subject to the restrictions contained in the Act delegate to any of the Directors, Managing Director(s), Deputy Managing Director(s), Whole Time Director(s), Executive Director(s), managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) any of the powers, authorities and discretions for the time being vested in the Board.

123. Signing of documents

All deeds, agreements and documents and all cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed, as the case may be by such person (including any firm or body corporate) whether in the employment of the Company or not and in such manner as the Board shall from time to time by resolution determine.

124. Management abroad

The Board may make such arrangements as may be thought fit for the management of the Company's affairs abroad, and may for this purpose (without prejudice to the generality of their powers) appoint local bodies, and agents and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of an instruments sealed therein shall be signed by such persons as the Board shall from time to time by writing under the Common Seal appoint. The Company may also exercise the powers of keeping Foreign Registers.

DIVIDENDS

138. How profit shall be divisible

Subject to the rights of members, if any, entitled to shares with preferential or special rights attached thereto the profits of the Company which it shall from time to time determine to divide in respect of any year or other period shall be applied in the payment of a dividend on the Equity shares of the Company, but so that partly paid-up shares only entitled the holder with respect thereto such a proportion of the distribution upon a fully paid-up share as the amount paid thereon bears to the nominal amount of such share. All dividends shall be apportioned and paid proportionally or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly. Where capital is paid up in

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advance of calls upon the footing that the same shall carry interests, such capital shall not, whilst carrying interest confer a right to participate in profits.

139. Declaration of dividends

The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and subject to the provisions of the Act and fix the time for payment.

140. Restrictions on amount of dividends

No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.

141. Dividends out of profits only

No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company.

142. What to be deemed net profits

The declaration of the Board as to the amount of the net profits of the Company for any year shall be conclusive.

143. Interim dividends

The Board may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

144. Debts may be deducted

The Board may retain any dividends on which the Company has a lien and apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

145. Dividend and call together

Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on its members shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the company and the member be set off against the call.

146. Effect of transfer

A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

Provided however where any instrument of transfer of shares has been received for registration and the transfer of such shares has not been registered, the Company shall transfer the dividend in relation to such shares to the special account referred to in the provisions of the Act unless the Company is authorized by the registered-holder of such shares in writing to pay such dividend to the transferee specified in the instrument of transfer, and until the registration of such transfer the Company shall also keep in abeyance all offer of right shares and issue of bonus shares in relation to such shares.

147. Retention in certain cases

The Board may retain the dividends payable upon shares in respect of which any person is under the transmission article entitled to become a member or which any person under that article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.

148. Payment of interest on Capital

The Company may pay interest on capital raised for the construction of works or buildings when and so far as it shall be authorized to do by the provisions of the Act.

149. To whom dividends payable

No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers, but nothing contained in this Article shall be deemed to require the bankers of a registered share holder to make a separate application to the Company for the payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 141 hereof.

150. Dividend to Joint-holders

Any one of the several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

151. Payment by post

Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or persons entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint holding or to such person and such address as the member or person entitled or such joint-holders as the case may be, may direct and every cheque or warrant so sent shall be made payable to the person or to the order of the person to whom it is sent or to the order of such other person as the member or such person entitled or such joint-holders as the case may be, may direct.

152. Unclaimed dividend

No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of the Act in respect of all unclaimed or unpaid dividends.

VII. OTHER INFORMATION

DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of our Company on any working day between 11:00 a.m. and 1:00 p.m. from the date of filing of this Information Memorandum with the Stock Exchanges:

1. Memorandum and Articles of Association of DTIL, as amended till date.
2. Memorandum and Articles of Association of DPL.
3. Certification of incorporation.
4. Annual Accounts and Reports of the Statutory Auditors of the Company as mentioned in this Information Memorandum including for half year ended September 30, 2014.
5. Annual Accounts of the Company for the financial years 2011-12, 2012-13 & 2013-14.
6. Annual Accounts of DPL for the financial years 2011-12, 2012-13 & 2013-14.
7. Scheme of Arrangement sanctioned by the Hon' able High Court of Calcutta vide its order dated August 7, 2014.
8. Certified copy of the order dated August 7, 2014 sanctioning the Scheme.
9. Notice convening meeting of shareholders to consider scheme of arrangement along with statement under section 393 of the Companies Act, 1956 and other document accompanying the same.
10. Valuation report of D. K. Chhajer & Co., Chartered Accountants on the share entitlement ratio to be allotted in consideration of the demerger and fairness opinion thereon of Microsec Capital Limited.
11. Receipt/proof of filing of the Scheme with ROC.
12. Letters issued by BSE and NSE according their no objection to the Scheme.
13. Tripartite Agreement between the Company, the RTA and NSDL dated September 18, 2014.
14. Tripartite Agreement between the Company, the RTA and CDSL dated September 11, 2014.
15. Agreement between the Company and Managing Director dated December 1, 2014.
16. BSE letter No. [●] dated [●] granting in-principle approval for listing.
17. NSE letter No. [●] dated [●] granting in-principle approval for listing.
18. SEBI letter No. [●] dated [●] granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1975 for listing of the shares of the Company.

DECLARATION

No statement made in this Information Memorandum shall contravene any of the provisions of the Companies Act, 2013 including any amendment or reenactment thereof and the rules made thereunder. All the legal requirements as also the Regulations, Guidelines, instructions, etc., issued by SEBI, Government or any other competent authority in respect of listing of securities have been duly complied with.

**For and on behalf of the Board of Directors
of Dhunseri Tea & Industries Limited**

CHANDRA KUMAR DHANUKA
Managing Director

Dated: December 1, 2014