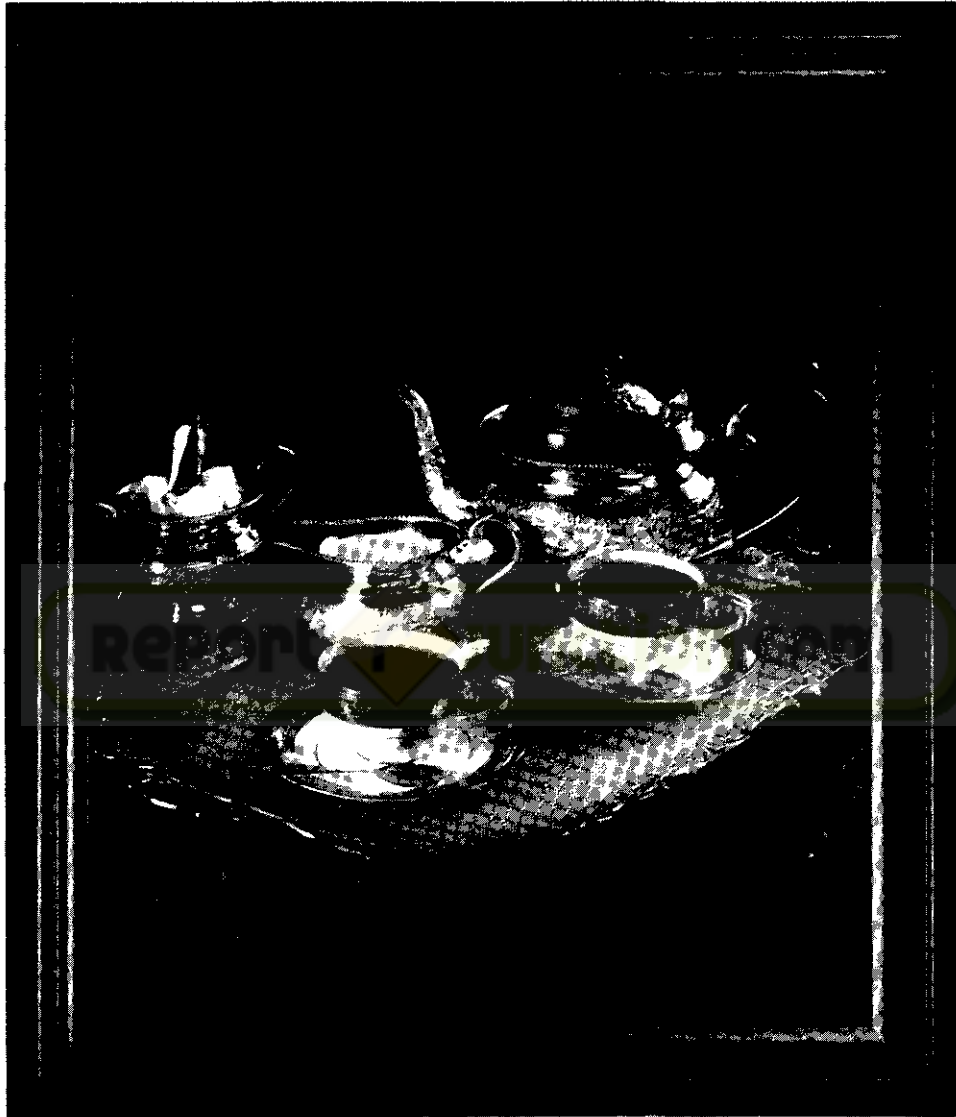


Dhunseri Tea & Industries Limited



Annual Report 1999-2000

DHUNSERI TEA & INDUSTRIES LIMITED

BOARD OF DIRECTORS

S.L. Dhanuka

Chairman

S.R. Daga

B.D. Beriwalla

P.L. Agarwal

C. K. Dhanuka

Managing Director

VICE PRESIDENT (F & C)

K.K. Tibrewalla

VICE PRESIDENT (P & S)

I.B. Saraf

COMPANY SECRETARY

R. Mahadevan

AUDITORS

Lodha & Co.

Chartered Accountants

BANKERS

State Bank of India

Punjab National Bank

United Bank of India

ABN - AMRO Bank N.V.

Standard Chartered Bank

REGISTERED OFFICE

"Dhunseri House"

4A, Woodburn Park

Calcutta - 700 020

REGISTRARS &

SHARE TRANSFER AGENTS

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor

Calcutta - 700 001

BRANCH OFFICES

Lamb Road

Guwahati - 781 001

Assam

110, Raheja Centre

214, Nariman Point

Mumbai - 400 021

Hans Bhawan

1, Bahadur Shah Zafar Marg

New Delhi - 110 002

TEA ESTATES

Dhunseri Tea Estate

P.O. Mazbat, Assam.

Dilli Tea Estate

P.O. Parbatpur, Assam.

Namsang Tea Estate

P.O. Jeypore, Assam.

Bahadur Tea Estate

P.O. Tinsukia, Assam.

Hatijan Tea Estate

P.O. Hoogrijan, Assam.

Khagorijan Tea Estate

P.O. Sapekhati, Assam.

Santi Tea Estate

P.O. Hoogrijan, Assam.

Khetojan Tea Estate

P.O. Tinsukia, Assam.

TEA PACKAGING DIVISION

SP-534-A, Sitapura Industrial Area

Jaipur, Rajasthan

DHUNSERI TEA & INDUSTRIES LIMITED**NOTICE**

NOTICE is hereby given that the Eighty-fourth Annual General Meeting of the Members of DHUNSERI TEA & INDUSTRIES LIMITED will be held on Tuesday, the 12th day of September, 2000 at "Kala Kunj" of Sangit Kala Mandir Trust, 48, Shakespeare Sarani, Calcutta 700 017 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2000, the Balance Sheet as at that date and the Reports of the Directors' and Auditors' thereon.
2. To confirm the interim dividend paid, as final dividend for the year ended 31st March, 2000.
3. To elect a Director in place of Sri S. L. Dhanuka, who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in place of Sri B. D. Beriwal, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

6. Resolved that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

Insert the following Heading and Article as Article 56A after Article 56.

DEMATERIALISATION OF SECURITIES

Definitions	56A 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 Companies Act, 1956, 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.
Dematerialisation of Securities	2.	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised 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. 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 dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act 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.

DHUNSERI TEA & INDUSTRIES LIMITED**NOTICE (Contd.)**

	(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 Act or these Articles shall apply to a transfer of securities effected 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.

Registered Office :
4A, Woodburn Park
Calcutta-700 020
29th June, 2000

By Order of the Board

R. MAHADEVAN
Company Secretary

NOTES :

- i) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item 6 is annexed hereto.
- ii) A MEMBER ENTITLED TO ATTEND AND VOTE MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE MEETING.
- iii) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 5th September, 2000 to Friday, 15th September, 2000 both days inclusive.
- iv) Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days prior to the meeting so as to enable the management to keep the information ready.
- v) Members are requested to bring their copies of Annual Report to the Meeting.
- vi) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed Dividends upto the year ended 31st December, 1994 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Nizam Palace, IInd M.S.O. Bldg., 2nd Floor, 234/4, A. J. C. Bose Road, Calcutta 700 020.
Consequent upon the amendment to Section 205A and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed or unpaid for a period of seven years shall be transferred to Investor Education and Protection Fund and no claim thereof shall lie against this Fund or the Company on the expiry of the said period of seven years.
Members are requested to send unclaimed/unpaid dividend warrants, if any, for the years 1995, 1996, 1997 and 1998-1999 to the Registered Office of the Company at their earliest, for payment in lieu thereof.

DHUNSERI TEA & INDUSTRIES LIMITED**EXPLANATORY STATEMENT**
Under Section 173(2) of the Companies Act, 1956**Item No. 6**

The Company has executed an agreement with National Securities Depository Ltd. (NSDL) for providing an option to shareholders to convert their physical shares into electronic mode.

With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding securities in an electronic form is a far safer and more convenient method for holding and trading in the securities of a company. It is therefore, proposed that the Articles of Association of the Company be suitably altered, as set out in Resolution No. 6 to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owner of the securities in such a system.

No director of the Company is concerned or interested in the resolution.

The Board recommends the Resolution for acceptance by the Members.

By Order of the Board

R. MAHADEVAN
Company Secretary

29th June, 2000

Equity Shares of the Company are listed at the following Stock Exchanges :

1. The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Calcutta-700 001
2. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
3. The Gauhati Stock Exchange Ltd.
Saraf Building Annexe, A. T. Road,
Guwahati - 781 001

Annual Listing Fees for the year 1999-2000 have been paid to the Stock Exchanges.

DHUNSERI TEA & INDUSTRIES LIMITED**DIRECTORS' REPORT**

We have pleasure in presenting our Eighty-fourth Annual Report together with the Audited Accounts for the year ended 31st March, 2000 :

FINANCIAL RESULTS :

	For the year ended 31.03.2000	For 15 Months ended 31.03.1999
	(Rs. in lacs)	(Rs. in lacs)
Gross Profit	1489.83	1690.18
Less : Depreciation (Net)	153.46	137.33
Provision for Taxation (Net)	410.00	663.07
Net Profit for the year	926.37	889.78
Add : Debenture Redemption Reserve written back	550.00	—
Add : Balance Brought Forward	683.21	371.69
The Directors recommend this amount to be appropriated as under :	2159.58	1261.47
Transfer to General Reserve	1400.00	89.00
Transfer to Debenture Redemption Reserve	165.00	295.00
Dividend	140.00	175.00
Tax on Dividend	15.40	19.25
Balance Carried Forward	439.18	683.22

DIVIDEND :

The Directors recommended the payment of an interim dividend @ 20% i.e. Rs. 2.00 per share for the year ended 31st March, 2000 at their meeting held on 7th March, 2000. The Company distributed the interim dividend to the members whose names appeared in the Register of Members as on 25th April, 2000. It has been decided to treat the payment of the said interim dividend as final dividend for the year ended 31st March, 2000.

OPERATIONS :

The total tea manufacturing during the year under review has been 7.3 million kg as against 7.9 million kg in the earlier period. The average price realisation was lower compared to the earlier period. The company's packaging division at Jaipur is performing well. The company has already taken some bold marketing initiatives for improving the brand image and strengthening the marketing network in Madhya Pradesh. These programmes are continuing and should result in building up the market for the company's products.

PROJECT :

The company has promoted South Asian Petrochem Ltd., a hundred percent E.O.U. petrochemical project at Haldia, West Bengal, for manufacture of PET Resins under technical and financial collaboration with Lurgi Zimmer AG of Germany, a world leader in polyester technology. The financial closure for the project is expected to be achieved soon. The project is likely to be commissioned within 30 months from the financial closure.

DEBENTURES :

The company has redeemed in full the 15% 550000 secured Redeemable Non-convertible debentures of Rs. 200/- each aggregating to Rs. 11 Crores.

DEMATERIALISATION :

The equity shares of the company have now been activated for dematerialisation on National Securities Depository Limited (NSDL) with effect from June 1, 2000. The Securities and Exchange Board of India vide their circular bearing reference No. SMDRP/POLICY/CIR-23/2000 dated May 29, 2000 have admitted the company's equity shares for compulsory dematerialised trading effective from 29th January, 2001.

Y2K COMPLIANCE :

There were no Y2K related problems during the transition to the new millennium.

DHUNSERI TEA & INDUSTRIES LIMITED**DIRECTORS' REPORT (Contd.)****PERSONNEL :**

The Board wishes to place on record its appreciation of services rendered by the executives, staff and workers at all levels during the year under review. A statement pursuant to Section 217(2A) of the Companies Act, 1956 is enclosed.

CHAH UDYOG GRAMIN KRISHI VIKASH SAMITY :

The Samity has been providing guidance to farmers on scientific methods of agricultural farming. For extending this coverage through more operating centres, the existing infrastructure of the Samity has been handed over to the Indian Tea Association, to cater to a larger section of the farmers. The Company will continue to render the service through the said Association.

PARTICULARS REGARDING ENERGY ETC. :

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are attached and form part of this Report.

DIRECTORS :

Sri S. L. Dhanuka and Sri B. D. Beriwal retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS' REPORT :

The notes to the Accounts referred to in the Auditors' Report are self-explanatory.

AUDITORS :

M/s. Lodha & Co., Chartered Accountants, retire and being eligible offer themselves for re-appointment.

GENERAL :

The Directors wish to place on record their appreciation of the Financial Institutions, Banks and other Authorities for the excellent co-operation extended by them to the Company during the year.

S. L. DHANUKA *Chairman*

S. R. DAGA
B. D. BERIWALA *Directors*

C. K. DHANUKA *Mg. Director*

Calcutta
29th June, 2000

(Note : Sri P. L. Agarwal being away could not attend the meeting and hence has not signed this Report and accompanying Accounts)

Annexure to the Directors' Report

Statement of Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2000.

Name of Employee	Age (Years)	Designation/ Nature of Duties	Remuneration (Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Last Post held	Name of Previous Employer	% of Equity Shares held
Employed for full year :									
Dhanuka C.K.	47	Mg. Director	15,32,372	B.Com.	25	07.02.75	~	First Appointment	0.86

- Notes :
1. Remuneration includes value of perquisites under the Income Tax Act, 1961 and the Company's contribution to Provident, Superannuation and Gratuity Funds.
 2. Above appointment is contractual and the conditions of employment are governed by the rules and regulations of the Company.
 3. Sri C. K. Dhanuka, Managing Director is a relative of Sri S. L. Dhanuka, Director.

DHUNSERI TEA & INDUSTRIES LIMITED**Annexure to the Directors' Report****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO.**

Pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

FORM A**CONSERVATION OF ENERGY**

	Current year ended 31.03.2000	Previous Period ended 31.03.1999
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased Units (lakhs KWH)	31.41	38.39
Total Amount (Rs. lakhs)	122.12	136.56
Rate / Unit (Rs. / KWH)	3.89	3.56
b) Own Generation		
i) Through Diesel Generator Units (lakhs KWH)	9.83	7.51
Units per Ltr. of Diesel Oil	2.84	1.69
Cost / Unit (Rs. / KWH)	4.21	4.59
ii) Through Gas Generator Units (lakhs KWH)	23.85	16.49
Units per cu.m of Gas	5.36	3.87
Cost / Unit (Rs. / KWH)	0.37	0.36
2. Coal		
Quantity (Tonne)	2,570.72	2,624.01
Total Cost (Rs. lakhs)	38.64	36.25
Average Rate (Rs. / Tonne)	1,503.22	1,381.52
3. Furnace Oil		
Quantity (lakhs Ltrs.)	0.22	—
Total Cost (Rs. lakhs)	1.47	—
Average Rate (Rs. / Ltr.)	6.74	—
4. Gas		
Quantity (lakhs Cu.m.)	29.27	30.84
Total Cost (Rs. lakhs)	51.95	45.86
Average Rate (Rs. / Cu.m)	1.77	1.49
B. CONSUMPTION PER UNIT OF PRODUCTION		
Product—Tea		
Tea Produced (lakh Kgs.)	74.63	79.04
Electricity (KWH)	0.87	0.61
Furnace Oil (Ltr.)	—	—
Coal (Kg.)	0.34	0.33
Gas (Cu.m.)	0.39	0.39

RESEARCH AND DEVELOPMENT (R & D)

The Company has no R & D unit. It subscribes regularly to Tea Research Association which does R & D work for Tea Industry.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts in brief made towards technology absorption, adaptation and innovation : Indigenously developed technologies for the improvement of production both in field and factory were adopted, required modifications and innovations were done.
- Benefits derived as a result of the above efforts, e.g. product improvement, Import substitution, etc : Higher yield, reduction of cost of production and improvement in quality of product.
- Imported Technology : Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings & Outgo of Foreign Exchange as detailed in Notes and in Schedule 19 to the Accounts were as under :

Foreign Exchange Earnings	: Rs. Nil (Previous year Rs. Nil)
Foreign Exchange Outgo	: Rs. 23.35 lacs (Previous year Rs. 70.64 lacs)