

# annual report

**2021-22**



**Foward-looking Statement**

In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion on future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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**Contents**

<b>02</b> Chairman’s Statement	<b>40</b> Standalone Auditors’ Report and Financial Statements
<b>04</b> Directors’ Report	
<b>17</b> Secretarial Audit Report	<b>97</b> Consolidated Auditors’ Report and Financial Statements
<b>19</b> Corporate Governance Report	<b>153</b> Notice of AGM

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Growing  
plantations.  
Growing  
business.





# Chairman's Statement



*Dear Shareholders,*

I welcome you all to this 25th Annual General Meeting.

We are focussed on upgrading the operations at the estates as well as achieving production of quality teas to enable improved overall performance of the Company.

Our perspective is on achieving the targets in manufacturing quality teas.

We are in the process of implementing certain changes in all our operational activities.

Certain tea estates' contribution found not in conformity with our overall targeted performance were disposed off and to offset the reduction in the production targets as a consequence thereof, we acquired a bigger tea estate during the year.

Certain field operations introduced earlier to achieve better yield and quality of teas have started showing results. Further the programme of soil conservation and the use of

vermi composts will also be beneficial to the tea estates.

The drive initiated in our off shore expansion for increased production of Macadamia will enable us to achieve the distinction of being one of the largest private producers of Macadamia globally.

We continue to lay emphasis on achieving targeted operational performance as well as ensuring the safety and well being of our employees.

Our contributions to state government(s) towards providing reliefs to the people from the pandemic situation and initiation of vaccination drives during the year for employees, their families and the general public was continued during the year.

Kolkata  
26th May, 2022

C. K. Dhanuka  
Chairman

# Directors' Report

We have pleasure in presenting the 25th Annual Report together with the Financial Statements of the Company for the year ended 31st March, 2022.

## 1. Financial Results :

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Accounting year ended		Accounting year ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue from Operations	21,051.50	24,820.22	34,900.76	37,672.86
Other Income	5,492.19	2,068.99	5,572.38	2,209.95
<b>Total income</b>	<b>26,543.69</b>	<b>26,889.21</b>	<b>40,473.14</b>	<b>39,882.81</b>
Total expenses	21,895.11	21,152.88	34,988.69	34,324.29
Profit / (Loss) before exceptional items and tax	4,648.58	5,736.33	5,484.45	5,558.52
Exceptional items	(13,904.85)	(1,488.77)	(13,904.85)	(1,488.77)
<b>Profit / (Loss) before tax</b>	<b>(9,256.27)</b>	<b>4,247.56</b>	<b>(8,420.40)</b>	<b>4,069.75</b>
Tax expense	545.99	588.50	1,003.10	997.95
<b>Profit / (Loss) for the year</b>	<b>(9,802.26)</b>	<b>3,659.06</b>	<b>(9,423.50)</b>	<b>3,071.80</b>
Other comprehensive income / (loss) for the year (net of tax)	36.12	437.81	(835.57)	(54.03)
<b>Total comprehensive income / (loss) for the year</b>	<b>(9,766.14)</b>	<b>4,096.87</b>	<b>(10,259.07)</b>	<b>3,017.77</b>
Earnings per share (of Rs 10/- each)				
Basic and Diluted (Rs)	(93.29)	34.82	(89.68)	29.23

## 2. Dividend:

The Board has recommended a dividend of Rs. 4.00 per equity share of Rs. 10/- each i.e. 40% for the financial year ended 31st March, 2022 subject to approval of the members at the ensuing 25th Annual General Meeting ("AGM"). The dividend on equity shares, if approved by the members would involve a cash outflow of about Rs. 420.30 lakhs subject to deduction of tax at source as per the provisions of the Income Tax Act.

## 3. Transfer to reserves:

During the year no amount was transferred to General Reserves.

## 4. Authorized Share Capital / Bonus Equity Issue:

During the year Members' approval was obtained on 28th July, 2021 through postal ballot with regard to:

- Increase in Authorized Share Capital of the Company from Rs. 7,50,00,000/- to Rs. 11,00,00,000/- (Rupees Eleven Crore) divided into 1,10,00,000 (One Crore Ten Lakh) Equity Shares of Rs. 10/- each through an amendment to the Capital clause of the Memorandum of Association of the Company; and

- Issue of Bonus Equity Shares of Rs. 10/- each fully paid up in the ratio 1:2

## 5. Allotment of Bonus Shares:

On August 11, 2021 the Company allotted 35,02,476 bonus equity shares of Rs. 10/- each fully paid-up in the ratio of 1:2 i.e., 1 (One) Bonus Share for every existing 2 (Two) fully paid-up Equity Shares of Rs. 10/- each held as on Record date i.e., August 6, 2021.

As a consequence to the aforesaid, the issued and paid up capital of the Company increased from Rs. 7,00,49,510/- to Rs. 10,50,74,270/- divided into 1,05,07,427 Equity Shares of Rs. 10/- each fully paid-up.

The listing and trading approvals for 35,02,476 bonus equity shares were obtained from NSE & BSE subsequently and the trading became effective from August 20, 2021.

## 6. Operations:

In respect of the Indian operations the total tea manufacturing during the year was 11.35 mn kg as against 11.44 mn kg in the previous year. The total sales were 11.55 mn kg as against 10.94 mn kg in the previous year. The average realization per kg of Tea during the year was lower in comparison to the previous year.

## Directors' Report (Contd.)

In respect of the off shore operations the total tea manufacturing during the year was 8.88 mn kg as against 8.43 mn kg in the previous year. The total sales were 8.70 mn kg as against 8.77 mn kg in the previous year. The average realization per kg of Tea during the year was higher in comparison to the previous year.

The production of macadamia was 0.38 mn kg as against 0.29 mn kg and sales were 0.41 mn kg as against 0.32 mn kg in the previous year. The production and sales of macadamia were more in comparison to the previous year. The average realization per kg of macadamia during the year was lower in comparison to the previous year.

### 7. Subsidiary Companies:

The Company's wholly owned subsidiaries incorporated outside India as on March 31, 2022 are as under:

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

The entire share capital of the step down subsidiaries i.e., AMHSL, CEMSL & NEL is held by MTCEL and that of MTCEL, KECL and DMPL is held by DPTPL and the entire share capital of DPTPL (Wholly Owned Subsidiary) is held by the Company.

There are no material changes in the nature of the business of the subsidiaries.

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

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

Pursuant to the provisions of Section 136 of the Act, the financial statements, the consolidated financial statements and the audited accounts of the subsidiaries, are available on the Company's website [www.dhunseritea.com](http://www.dhunseritea.com)

### 8. Tea Estates:

In continuation of the programme of rationalizing the operations and improving profitability, the Company had disposed off two Tea Estates viz. Bahadur and Khetojan during 2020-21.

Further, Santi Tea Estate was disposed off, during the year. However the Tea manufacturing Factory of erstwhile Bahadur Tea Estate (now known as Hatibari Tea Factory) and Santi Tea Estate Factory (now known as Shivani Tea Factory) were retained by the Company.

The Company acquired Baliyan (North) Tea Estate during the year.

### 9. Listing:

The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

### 10. Directors' Responsibility Statement:

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

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

On the basis of the work performed by the internal auditor, statutory auditor and secretarial auditor and the reviews thereof undertaken from time to time by the management and the audit committee including the remedial actions initiated by the Company during the year under review, the board opines that the Company's internal financial controls are adequate and effective.



## Directors' Report (Contd.)

### 11. Directors & Key Managerial Personnel:

Prof. Ashoke Kumar Dutta (DIN: 00045170) was appointed as Non-Executive Independent Director of the Company for a period of five years w.e.f. 21st May, 2018 and will be attaining the age of seventy five years during FY 2022-23 i.e., during his current tenure as an Independent Director. The Members had approved the same at the 24th AGM held on 23rd September, 2021.

Mr. Mrigank Dhanuka a Non-Executive / Non- Independent Director was designated as the Vice Chairman (Non-Executive) of the Company w.e.f. 25th March, 2022.

Mrs. Bharati Dhanuka was appointed as an Additional Director at the Board Meeting held on 25th March, 2022. The Members of the Company subsequently approved her appointment as a Director (Non-Executive/Non-Independent) through Postal ballot on 11th May, 2022.

Mr. Vivek Goenka was appointed as an Independent Director of the Company for a second term of five consecutive years w.e.f. 30th August, 2022 through Postal ballot on 11th May, 2022.

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

The Independent Directors of the Company have submitted declaration pursuant to the provisions of Section 149 of the Act and Regulation 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"], that they meet the criteria of independence pursuant to Section 149(6) of the Act and Rules framed thereunder and the Regulation 16(1)(b) of the SEBI (LODR) Regulations.

In the opinion of the Board, there has been no changes in the circumstances likely to affect the status of the independent directors of the Company and the Board is satisfied of their integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder). The Independent Directors have also registered themselves with the data bank maintained by the Indian Institute of Corporate Affairs pursuant to Section 150 of the Act read with Rule 6(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. Rajiv Kumar Sharma (DIN: 05197101), Non-Executive Non-Independent Director retires by rotation at the ensuing 25th AGM and being eligible offers himself for re-appointment.

Mr. Vikash Jain, Chief Financial Officer vacated office on 30th June, 2021 and Mr. Bhagwati Agarwal (ACA 063575) was appointed as Chief Financial Officer w.e.f. 1st July, 2021.

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

The Board met Seven times during the financial year 2021-22. The details have been provided in the Corporate Governance Report in terms of SEBI (LODR) Regulations which is annexed to this Report.

### 13. Board evaluation:

The Company had undertaken an annual performance evaluation of the Board as a whole, the Committees and the Individual Directors during the year on the basis of the criteria including the composition, structure, functioning, effectiveness of the Board Meetings, the contribution and preparedness of the directors to their respective committees of which they are Members and to the Board.

The performance of Non-Independent Directors, the Chairman and the Board as a whole was also evaluated during the year.

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

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

### 15. Corporate Governance Report:

The Corporate Governance Report along with the auditors' certificate forms part of this report.

### 16. Management Discussion & Analysis Report:

The Management Discussion & Analysis Report is set out in Annexure I of this Report.

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

The details regarding internal financial control and their adequacy is included in the Management Discussion & Analysis Report (Annexure I).

### 18. Audit committee:

The composition of Company's Audit Committee is included in the Corporate Governance Report.

### 19. Auditors:

#### Statutory Auditors:

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. S.R.Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 301003E/E300005) were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of 22nd AGM held



## Directors' Report (Contd.)

on 13th August, 2019 and shall hold office till the conclusion of 27th AGM of the Company to be held in the year 2024.

The Statutory Auditor's report for FY 2021-22 forms part of this Annual Report.

The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors did not have any matter to report under Section 143(12) of the Act and hence no details thereof is required to be disclosed under Section 134(3)(ca) of the Act.

### **Cost Auditors:**

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of the Company appointed M/s. Mani & Co, Cost Accountants, (Firm Registration No. 000004) as the Cost Auditors of the Company for the year 2022-23; to conduct the cost audit for the financial year ending 31st March, 2023 at a remuneration as stated in the Notice convening the 25th AGM of the Company.

The Company also maintains cost records pursuant to Section 148(1) of the Act.

### **Secretarial Auditors:**

The Board had appointed M/s. M.Shahnawaz & Associates, (Firm Registration No. S2015WB331500) Practicing Company Secretaries, as the Secretarial Auditor for the FY 2021-22 and the Secretarial Auditor's report forms part of this Report. The said report does not contain any qualifications, reservations, adverse remark or disclaimer.

### **20. Risk management:**

Although Risk Management Committee is not mandatory for the Company, the management constantly monitors all risks and functions and systematically addresses them through

mitigating actions on a continuous basis. In addition, the Audit Committee has oversight in the areas of financial risks and controls.

The development and implementation of risk management policy is covered in the Management Discussion and Analysis Report, which forms part of this Report.

### **21. Particulars of loans, guarantees and investments:**

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

### **22. Transactions with Related Parties:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Company did not enter into any contract / arrangement / transaction with related parties during the year under review which are considered material in accordance with the Company's policy on materiality of related party transactions.

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

### **23. Corporate Social Responsibility:**

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

### **24. Annual Return:**

Pursuant to Section 92(3) and Section 134(3)(a) of the Act, the Annual Return(s) of the Company is available in the Company's website (<https://dhunseritea.com/investors/>)

## Directors' Report (Contd.)

### 25. Particulars of employees

Pursuant to Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the relevant information is given below:

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

Directors	Remuneration for the Year ended 31.03.2022 (Rs.)	Ratio to median remuneration
<b>Non-Executive Directors</b>		
1. Mr. M.Dhanuka	50,000	0.57:1
2. Mrs. B.Dhanuka (w.e.f. 25.03.2022)	10,000	*
3. Mr. R.K.Sharma	70,000	0.80:1
4. Mr. B. Bajoria	1,15,000	1.31:1
5. Mr. V.Goenka	1,15,000	1.31:1
6. Prof. A.K.Dutta	1,05,000	1.19:1
7. Mrs. A.Jhunjhunwala	1,00,000	1.14:1
<b>Executive Directors</b>		
1. Mr. C.K.Dhanuka	32,68,195	37.14:1

\* This information is for part of the year, hence not comparable.

The median remuneration of employees for financial year 2021-22 is Rs. 0.88 lacs.

#### b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
1 Mr. C. K. Dhanuka, Managing Director	-9.07#
2. Mr. Mrigank Dhanuka, Vice Chairman	No change
3. Mrs. Bharati Dhanuka, Director (w.e.f. 25.03.2022)	*
4. Mr. Bharat Bajoria, Director	No change
5. Mr. Rajiv Kumar Sharma, Director	No change
6. Mr. Vivek Goenka, Director	No change
7. Prof. Ashoke Kumar Dutta, Director	No change
8. Mrs. Aaradhana Jhunjhunwala, Director	No change
9. Mr. P.C.Dhandhanian, Chief Executive Officer	8.70
10. Mr. Vikash Jain, Chief Financial Officer (till 30.6.2021)	*
11. Mr. Bhagwati Agarwal, Chief Financial Officer (w.e.f. 01.07.2021)	*
12. Mr. R.Mahadevan, Company Secretary	7.74

# Contribution to Super Annuation Fund for the year 2021-22 was discontinued by the Company on his attaining the age limit under the said scheme.

\* This information is for part of the year, hence not comparable.

#### c. The percentage increase in the median remuneration of employees during 2021-22 is 16.42%.