Dhunseri®
Dhunseri Tea & Industries Limited
CIN : L15500WB1997PLC085661
Registered Office : Dhunseri House, 4A, Woodburn Park, Kolkata 700020

Ref.No.DTIL/108/2019/ 24.05.2019

BSE Ltd.,
Phiroze-Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

Fax No. : 022-22722037/39/41/61
022-22723121/3719

Scrip Code: 538902

National Stock Exchange of India Ltd.,
Exchange Plaza,,C-1, Block G, 5th Floor
Bandra Kurla Complex,
Bandra (E),
Mumbai-400051

Fax No. : 022-26598237/38

Symbol : DTIL

Dear Sirs,

Sub: Annual Audited Financial Results for the year ended 31st March,2019

Pursuant to Regulation 33(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and resting with our letter No. DTIL/108/2019 dated 15.05.2019, please find enclosed the annual audited financial results (standalone and consolidated) for the financial year ended 31st March, 2019 which was approved by the Board at its meeting held on date.

Please also find enclosed the Audit Reports (standalone and consolidated) along with a declaration with respect to the audit report(s) with unmodified opinion for the financial year ended 31st March, 2019.

The Meeting commenced at around 14.00 hours and concluded at around 18.30 hours.

Thanking you,

Yours faithfully,
For DHUNSERI TEA & INDUSTRIES LTD.

(R. MAHADEVAN)
Secretary
(ACS 2080)

Encl: i) Audited Financial Results. (Standalone & Consolidated)
ii) Audit Reports.
iii) Declaration with respect to Audit Reports with Unmodified opinion to the audited financial results.

Ph. : +91 33 2280 1950 (Five Lines) Fax : +91 33 2287 8350/9274
Email : mail@dhunseritea.com, Website : www.dhunseritea.com

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Statement of Standalone and Consolidated Financial Results for the Quarter and Year ended 31st March, 2019

(Rupees in lakhs)

	Particulars	Three months ended 31/03/19	Three months ended 31/12/18	Three months ended 31/03/18	Year ended 31/03/19	Year ended 31/03/18	Year ended 31/03/2019	Year ended 31/03/2018
		Standalone					Consolidated	
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
I	Revenue from Operations	3,580.66	5,806.54	3,872.04	18,081.27	17,701.63	32,428.83	29,605.93
II	Other income	104.54	67.75	46.74	280.22	186.31	477.69	241.83
III	**Total Income (I+II)**	**3,685.20**	**5,874.29**	**3,918.78**	**18,361.49**	**17,887.94**	**32,906.52**	**29,847.76**
IV	**Expenses**							
a	Cost of Materials Consumed (Refer Note 2)	367.81	935.30	284.82	4,151.02	3,540.84	4,362.94	3,698.88
b	Changes in inventories of biological assets	(48.91)	84.92	(58.77)	9.86	(12.62)	(431.44)	34.69
c	Changes in inventories of finished goods	2,077.25	765.09	2,153.75	(191.53)	126.22	(507.06)	(69.86)
d	Employee Benefit expense	1,511.31	1,731.09	1,297.31	7,143.52	6,270.31	8,610.68	7,667.14
e	Finance Costs	75.91	56.62	122.59	286.04	446.76	727.01	899.73
f	Depreciation expense	200.43	183.20	191.40	750.04	743.90	1,866.15	1,744.99
g	Other expenses	1,444.42	1,374.51	1,770.35	5,938.32	6,111.45	14,124.06	13,055.79
	Total expenses	**5,628.22**	**5,130.73**	**5,761.45**	**18,087.27**	**17,226.86**	**28,752.34**	**27,031.36**
V	**Profit/(Loss) before tax (III-IV)**	**(1,943.02)**	**743.56**	**(1,842.67)**	**274.22**	**661.08**	**4,154.18**	**2,816.40**
VI	**Tax expense**							
	Current tax	(504.50)	230.39	(627.96)	145.53	130.06	813.23	486.03
	Deferred tax	(0.46)	(9.98)	(262.15)	(7.07)	(292.37)	530.59	(570.03)
	Total Tax expense/(credit)	**(504.96)**	**220.41**	**(890.11)**	**138.46**	**(162.31)**	**1,343.82**	**(84.00)**
VII	**Profit/(Loss) for the period / year (V-VI)**	**(1,438.06)**	**523.15**	**(952.56)**	**135.76**	**823.39**	**2,810.36**	**2,900.40**
	Other comprehensive income							
	Items that will not be reclassified to profit or loss							
	Remeasurements of post-employment benefit obligations	(32.57)	(27.02)	217.78	(113.62)	131.02	(113.62)	131.02
	Fair valuation of equity investments	189.84	209.37	(265.65)	245.41	850.07	245.41	850.07
	Income tax relating to these items	(99.84)	(42.39)	(167.61)	(108.21)	(139.98)	(108.21)	(139.98)
	Items that will be reclassified to profit or loss							
	Exchange differences on translation of foreign operations	-	-	-	-	-	1,469.88	(1,167.09)
VIII	**Other comprehensive income for the period / year (net of tax)**	**57.43**	**139.96**	**(215.48)**	**23.58**	**841.11**	**1,493.46**	**(325.98)**
IX	**Total comprehensive income for the period / year (VII+VIII)**	**(1,380.63)**	**663.11**	**(1,168.04)**	**159.34**	**1,664.50**	**4,303.82**	**2,574.42**
	Paid-up equity share capital (Face Value Rs 10/- each)	700.50	700.50	700.50	700.50	700.50	700.50	700.50
X	Earnings per equity share (of Rs.10/- each): (Not Annualised)							
	(a) Basic (Rs.)	(20.53)	7.47	(13.60)	1.94	11.75	40.12	41.40
	(b) Diluted (Rs.)	(20.53)	7.47	(13.60)	1.94	11.75	40.12	41.40

Dhunseri Tea & Industries Limited Kolkata 700 020

Statement of Assets & Liabilities

(Rupees in lakhs)

Particulars	Standalone		Consolidated	
	As at 31/03/2019 (Audited)	As at 31/03/2018 (Audited)	As at 31/03/2019 (Audited)	As at 31/03/2018 (Audited)
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	49,870.33	50,064.33	73,994.58	72,126.34
(b) Capital work-in-progress	969.90	862.73	6,405.42	4,477.76
(c) Investment properties	620.72	1,152.63	620.72	1,152.63
(d) Goodwill	-	-	2,221.07	2,034.42
(e) Financial assets				
(i) Investments	10,316.55	9,848.46	3,581.87	3,150.85
(ii) Loans	5.55	5.44	5.55	5.44
(iii) Other financial assets	570.93	876.33	570.93	876.33
(f) Non-current tax assets (net)	109.51	192.45	118.93	202.04
(g) Other non-current assets	123.98	20.66	123.98	20.66
Total non-current assets	**62,587.47**	**63,023.03**	**87,643.05**	**84,046.47**
(2) Current assets				
(a) Inventories	2,198.26	1,879.83	4,851.29	3,744.23
(b) Biological assets other than bearer plants	48.91	58.77	1,791.11	1,249.08
(c) Financial assets				
(i) Investments	730.35	1,053.03	730.35	1,053.03
(ii) Trade receivables	3,804.31	3,895.97	4,387.08	4,855.63
(iii) Cash and cash equivalents	409.19	298.88	626.86	480.24
(iv) Bank balances other than (iii) above	24.02	17.91	24.02	17.91
(v) Loans	74.66	185.07	5.49	8.49
(vi) Other financial assets	284.01	163.64	507.19	190.93
(d) Other current assets	781.46	711.04	1,723.43	1,200.79
	8,355.17	**8,264.14**	**14,646.82**	**12,800.33**
Assets held-for-sale	564.85	-	564.85	-
Total current assets	**8,920.02**	**8,264.14**	**15,211.67**	**12,800.33**
Total assets	**71,507.49**	**71,287.17**	**102,854.72**	**96,846.80**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	700.50	700.50	700.50	700.50
(b) Other equity	60,006.22	60,522.47	75,065.12	71,436.88
Total equity	**60,706.72**	**61,222.97**	**75,765.62**	**72,137.38**
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	622.92	873.38	4,221.55	4,863.44
(ii) Other financial liabilities	61.21	66.73	189.60	214.23
(b) Deferred tax liabilities (net)	3,281.22	3,330.72	11,363.98	10,171.28
(c) Other non-current liabilities	216.80	178.98	191.55	137.76
Total non-current liabilities	**4,182.15**	**4,449.81**	**15,966.68**	**15,386.71**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	2,684.96	2,782.19	4,201.04	4,143.84
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	20.99	20.77	20.99	20.77
Total outstanding dues other than micro enterprises and small enterprises	1,529.81	1,313.73	2,563.31	2,100.68
(iii) Other financial liabilities	1,603.24	1,046.61	2,759.24	2,025.76
(b) Employee benefit obligations	297.97	93.70	376.57	127.69
(c) Current tax liabilities (net)	230.06	154.01	937.57	591.31
(d) Other current liabilities	162.59	203.38	174.70	312.66
	6,529.62	**5614.39**	**11,033.42**	**9,322.71**
Liabilities classified as held for sale	89.00	-	89.00	-
Total current liabilities	**6,618.62**	**5,614.39**	**11,122.42**	**9,322.71**
Total equity and liabilities	**71,507.49**	**71,287.17**	**102,854.72**	**96,846.80**

Notes :-

(1) The above results for the quarter and year ended 31st March 2019, were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on 24th May, 2019.

(2) Cost of Materials consumed represents Green Leaf purchased.

(3) The Group comprising the Company and its subsidiaries is primarily engaged in business of cultivation, manufacture, sale of tea and macademia nuts and other allied services relating to plantation sector across various geographical areas with different political and economic environment, risk and return etc. Accordingly, operating segments have been identified based on the different geographical areas.

Consolidated Segment information for the Year ended 31st March, 2019

Particulars	Financial year ended 31/3/2019				Financial year ended 31/3/2018			
	Consolidated							
	Audited							
	India	Malawi	Unallocable	Total	India	Malawi	Unallocable	Total
Segment Revenue	18,081.27	14,347.56	-	32,428.83	17,701.63	11,904.30	-	29,605.93
Segment Results before tax and interest	404.63	4,347.09	129.47	4,881.19	1,010.86	2,648.80	56.47	3,716.13
Interest (including other finance costs)			727.01	727.01			899.73	899.73
Total Profit/(Loss) before tax	**404.63**	**4,347.09**	**(597.54)**	**4,154.18**	**1,010.86**	**2,648.80**	**(843.26)**	**2,816.40**
Capital Employed (Segment Assets-Segment Liabilities)	55,093.71	36,425.92			56,030.15	30,868.32		

(4) The Board of Directors has recommended a dividend of 50% (Rs.5.00 per equity share of Rs. 10/- each) for the year 2018-19, subject to the approval of the shareholders in the ensuing Annual General Meeting.

(5) The company has entered into a non-binding term sheet to sell its branded tea business presently undertaken under the brands Lal Ghora and Kala Ghora for an aggregate consideration of Rs.101 crores to Tata Global Beverages Limited. The proposed sale shall be subject to due-diligence by the buyer including definitive binding agreements and applicable statutory/ regulatory approvals.

(6) Effective April 1, 2018, the Group has applied Ind AS 115 - "Revenue from Contracts with Customers" using the modified retrospective method. The adoption of Ind AS 115 did not have any significant impact on the overall results of the Group.

(7) The Figures of the last quarter for the current year and the previous year are the balancing figures in respect of the full financial year ended 31st March and the unaudited published year to date figures upto third quarter ended 31st December, which were subject to limited review.

(8) Previous period figures have been regrouped/rearranged wherever necessary.

For and on behalf of Board of Directors

C.K.Dhanuka
Chairman & Managing Director

Place: Kolkata
Date: 24 May,2019

Independent auditor's report

To the Members of Dhunseri Tea and Industries Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Dhunseri Tea & Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and total comprehensive income (comprising of profit and other comprehensive income) , changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of the fair value of biological assets and harvested tea leaves (Refer to the accompanying note 2 (c) , 2 (f) and Note 41 forming integral part of the Standalone Financial Statements) As on March 31, 2019, the Company has biological assets being "Green leaf growing on tea bushes" with a carrying value of Rs.	Our procedures included the following : • We understood and tested the design and operating effectiveness of controls as established by the management in determination of the fair value of biological assets and harvested tea leaves produced from own gardens.

48.91 lakhs and Green leaf harvested from own gardens ("agricultural produce") being part of finished goods (Tea) with a carrying value of Rs. 555.77 lakhs .

The biological assets and agricultural produce used in the production of finished goods (Tea) are stated at fair value less costs to sell.

We considered the valuation of biological assets and agricultural produce used in the production of finished goods (Tea) as a key audit matter given the significant management judgement involved in the consideration of factors such as market sources, prevailing selling prices and quality of tea assessed by the management used in the determination of fair value of such agricultural produce and biological assets.

- We considered the following factors in our assessment of the fair value –
  a. compared the prices of similar quality tea leaves, as obtained from market sources,
  b. compared the selling prices of the Company's Tea prevailing around year end for completed seasonal cycle,
  c. evaluated the appropriateness of technical factors stated by management which determine the quality of the tea leaves produced from the Company's gardens and for arriving at the fair value of biological assets and harvested tea leaves.
  d. Involved auditors' valuation expert to evaluate the reasonableness of the methodology adopted by the company.
- We assessed the appropriateness and adequacy of the disclosures in relation to the biological assets and harvested tea leaves.

Based on the above procedures performed, the management's assessment of the fair value of biological assets and harvested tea leaves was considered to be reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and Annexures thereto, Form No. MR - 3 (Secretarial Audit Report), Corporate Governance Report and Form AOC - 1 included in the Annual report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, 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.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 (a) to the financial statements;

ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. There were no derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Amitesh Dutta
Partner
Membership Number 058507

Kolkata
May 24 , 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Dhunseri Tea & Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Dhunseri Tea & Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters paragraph below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of the fair value of biological assets and harvested tea leaves in relation to the Holding company (Refer to the accompanying note 2.8 , 2.9 and Note 40 forming integral part of the Consolidated Financial Statements) As on March 31, 2019, the Holding Company has biological assets being "Green leaf growing on tea bushes" with a carrying value of Rs. 48.91 lakhs and Green leaf harvested from own gardens ("agricultural produce") being part of finished goods (Tea) with a carrying value of Rs. 555.77 lakhs . The biological assets and agricultural produce used in the production of finished goods (Tea) are stated at fair value less costs to sell. We considered the valuation of biological assets and agricultural produce used in the production of finished goods (Tea) as a key audit matter given the significant holding company management's judgement involved in the consideration of factors such as market sources, prevailing selling prices and quality of tea assessed by the holding company management used in the determination of fair value of such agricultural produce and biological assets.	Our procedures included the following : • We understood and tested the design and operating effectiveness of controls as established by the Holding Company's management in determination of the fair value of biological assets and harvested tea leaves produced from own gardens. • We considered the following factors in our assessment of the fair value in respect of the holding company – a. compared the prices of similar quality tea leaves, as obtained from market sources, b. compared the selling prices of the Holding Company's Tea prevailing around year end for completed seasonal cycle, c. evaluated the appropriateness of technical factors stated by the holding company's management which determine the quality of the tea leaves produced from the Holding Company's gardens and for arriving at the fair value of biological assets and harvested tea leaves. d. Involved auditors' valuation expert to evaluate the reasonableness of the methodology adopted by the Holding company. • We assessed the appropriateness and adequacy of the disclosures in relation to the biological assets and harvested tea leaves of the holding company. Based on the above procedures performed, the holding company management's assessment of the

Assessment of impairment of goodwill relating to acquisition of subsidiaries

(Refer to the accompanying note 2.4 and 5 forming integral part of the Consolidated Financial Statements)

The Group has a goodwill balance of Rs. 2221.07 lakhs at 31 March 2019 which represents approximately 2% of the total assets of the Group.

The Group performed an impairment assessment over the goodwill balance by calculating the recoverable value of the cash generating unit (CGU) to which the Goodwill belongs using a discounted cash flow model and comparing the same with the carrying value. For the purpose of impairment assessment, each operating subsidiary is considered as separate CGU.

The management has estimated future cash flows for a 5 year period and a terminal growth rate is applied in determining the terminal value.

We considered this a key audit matter given the relative significance of value of goodwill to the financial statements and extent of management judgement and the estimates involved around impairment assessment with respect to determining appropriate discount rates, cash flow projections (Cash flow forecasts) and earnings growth rates applied beyond the initial five-year period (Terminal growth rates).

The Management concluded that no provision for impairment was necessary as at March 31, 2019.

fair value of biological assets and harvested tea leaves of the holding company was considered to be reasonable.

Our procedures included the following :

We understood and tested the design and operating effectiveness of controls as established by management in assessment of impairment to the carrying value goodwill.

Together with the auditors' valuation experts, we evaluated the Company's processes regarding impairment assessment :

a. Assessed the appropriateness of the impairment model
b. We evaluated the cash flow forecasts (with underlying earnings growth rate) by comparing them to the budgets provided by the management and our understanding of the industry's factors.
c. Assessed the underlying assumptions relating to discount rate, earnings growth rate and terminal value.
d. We assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment.

We checked the mathematical accuracy of the calculations involved.

Based on the above procedures performed, the management's assessment of impairment of goodwill relating to acquisition of subsidiaries was considered to be reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report and Annexures thereto, Form No. MR - 3 (Secretarial Audit Report), Corporate Governance Report and Form AOC - 1 included in the Holding Company's Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated

financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial information of four subsidiaries whose financial information reflect total assets of Rs. 52,058.43 and net assets of Rs 34,909.92 as at March 31, 2019, total revenue of Rs. 14,961.61 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs 3384.22 and net cash flows amounting to Rs (47.92) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by those auditors, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

17. We did not audit the financial information of two subsidiaries whose financial information reflect total assets of Rs 5.67 lakhs and net assets of Rs (11.43) lakhs as at March 31, 2019, total revenue of Rs. Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs (12.14) lakhs and net cash flows amounting to Rs 2.37 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the

Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) As there are no subsidiaries incorporated in India, this report does not contain a separate report on the internal financial controls over financial reporting of the Group under Clause (i) of Sub-section 3 of Section 143 of the Act.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group - Refer Note 41 to the consolidated financial statements.

ii. The Group has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. There were no derivative contracts.

iii. During the year ended March 31, 2019, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

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

Amitesh Dutta
Partner
Membership Number 058507

Kolkata
May 24 , 2019

Dhunseri®
Dhunseri Tea & Industries Limited
CIN : L15500WB1997PLC085661
Registered Office : Dhunseri House, 4A, Woodburn Park, Kolkata 700020

Ref.No.DTIL/108/2019/ 24.05.2019

BSE Ltd.,
Phiroze-Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001 Scrip Code: 538902

National Stock Exchange of India Ltd.,
Exchange Plaza,,C-1, Block G, 5th Floor
Bandra Kurla Complex,
Bandra (E),
Mumbai-400051 Symbol : DTIL

Dear Sirs,

Sub: Declaration with respect to Audit report with unmodified opinion to the audited financial results for the financial year ended 31st March, 2019.

Pursuant to Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations, 2015, as amended, we do hereby confirm that the Statutory auditors of the Company M/s. Lovelock & Lewes have not expressed any modified opinion(s) in its audit report pertaining to the audited financial results for the year ended 31st March, 2019.

Thanking you,

Yours faithfully,
For DHUNSERI TEA & INDUSTRIES LTD.

(VIKASH JAIN)
Chief Financial Officer

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