

# **NEELAMALAI AGRO INDUSTRIES LIMITED**

**71st Annual Report  
2013 - 2014**

**SEVENTY FIRST ANNUAL GENERAL MEETING**

Day : Wednesday

Date : 10th September, 2014

Time : 3.30 p.m.

Venue : Katary Estate  
Katary Post, Coonoor  
The Nilgiris - 643 213

## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the SEVENTY FIRST ANNUAL GENERAL MEETING of the Company will be held at the Registered Office at Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213 at 3.30 P.M. on Wednesday, the 10<sup>th</sup> day of September, 2014 to transact the following business:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2014 and the Reports of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Ajit Thomas (DIN: 00018691), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. M.M.Karunakaran (DIN: 03448795), who retires by rotation and is eligible for re-appointment.
5. To re-appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting and to fix their remuneration and to pass the following resolution thereof.

RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Suri & Co., Chartered Accountants, Chennai (Firm's Regn. No. 004283S), be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and the Board of Directors be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors.

### **SPECIAL BUSINESS**

#### **6. Appointment of Mr. A.D.Bopana as Independent Director**

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

RESOLVED that pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. A D Bopana (DIN: 00576066), who has submitted a declaration that he meets the criteria for

independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of March 31, 2019.

#### **7. Remuneration of Cost Auditors**

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

RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors Rules), 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Rajendran, Mani and Varier, Cost Accountants, Ravipuram, Kochi - 682 016 (Firm Registration No. 000006), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

On Behalf of the Board

Place : Chennai  
Date : 29.05.2014

**Ajit Thomas**  
Chairman

#### **NOTES:**

1. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**

3. Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 04, 2014 to September 10, 2014 (both days inclusive).
6. The Company has appointed M/s Cameo Corporate Services Limited, Chennai as its Registrar & Share Transfer Agent and depository interface of the Company with CDSL. Shareholders intending to hold their shares in electronic form may approach their depository participants for dematerialisation of shares. Shareholders may send their shares for effecting transfers/transmission to M/s Cameo Corporate Services Limited.
7. Dividend on equity shares as recommended by the Board of Directors for the year ending 31<sup>st</sup> March, 2014, when declared at the Annual General Meeting will be paid to members whose name appear :-
  - a) as Beneficial Owners as per list to be furnished by the Depositories in respect of the shares held in demat form and
  - b) as Members on the Register of Members of the Company as on September 10, 2014 in respect of shares held by them in physical form, after giving effect to all valid share transfers in respect of transfer requests in physical form, lodged with the Company, Registrar & Share Transfer Agent on or before the close of business hours on September 03, 2014.
8. Members are requested to notify immediately any change in their address to the company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai- 600 002 in the case of physical holdings and to their respective Depository Participants in case of dematted shares.
9. Members are requested to lodge their e-mail ID's along with their Name and Folio No. to Company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002, Email :- vetri@cameoindia.com to enable the Company to send all future communications including Annual Reports through electronic mode.
10. Securities and Exchange Board of India (SEBI) has, vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013, made mandatory the usage of any Reserve Bank of India approved electronic mode of payment such as National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT) and Real Time Gross Settlement (RTGS) etc. for making cash payments to investors of companies whose shares are listed on Stock Exchanges. Members who have not opted for NECS facility earlier are requested to fill up the enclosed mandate form and forward the same to M/s. Cameo Corporate Services Limited immediately to avail the NECS facility; members who have already opted the NECS facility may intimate M/s. Cameo Corporate Services Limited, of any change in the bank account details already furnished.
11. Shareholders who have multiple folios in identical names or in joint names in the same order, are requested to intimate to the Company these folios, to enable the Company to consolidate all such shareholdings into one folio.
12. Shareholders of the Company may avail the nomination facility by executing the prescribed nomination form, which can be obtained from the Registered Office of the Company or from the company's Share Transfer Agent.
13. Company's shares are listed at Bombay Stock Exchange Limited, Corporate Relationship Dept., 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001; and Madras Stock Exchange Limited, Exchange Building, Post Box No.183, 11, Second Line Beach, Chennai – 600 001. The Annual listing fee, as prescribed, has been paid to the above Stock Exchanges.
14. The Unpaid Dividend amounting to Rs. 2,56,460/- for the year 2005-2006 had been transferred to the Investor Education & Protection Fund as per Section 205C(2) of the Companies Act, 1956. Dividend declared for the year 2006-2007 remaining unpaid/unclaimed over a period of 7 years have to be transferred to the above fund during the year and no claim shall lie against the Company or the said Fund, once it is transferred. Members are advised to claim the unpaid dividend, if any, immediately.

15. Members are requested to note that in case of transfers, deletion of name of deceased shareholder(s), transmission and transposition of shares, in respect of shares held in physical form, submission of attested copy of PAN CARD of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively has been made mandatory by The Securities and Exchange Board of India (SEBI), along with necessary documents at the time of lodgement of request for transfer/transmission/transposition

16. Members may also note that the Notice of the 71st Annual General Meeting and the Annual Report for 2013-2014 will also be available on the Company's website: [www.neelamalaiagro.com](http://www.neelamalaiagro.com) for downloading. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's share transfer agent email ID: [investor@cameoindia.com](mailto:investor@cameoindia.com).

**17. Instructions for members for voting electronically:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 71<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

- I. In case of members receiving e-mail:
- i) Log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com)
  - ii) Click on "Shareholders" tab.
  - iii) Now, select the "NEELAMALAI AGRO INDUSTRIES LTD." from the drop down menu and click on "SUBMIT"
  - iv) Now Enter your User ID.
    - a. For CDSL: 16 digits beneficiary ID
    - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- v). Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	<b>For members holding shares in Demat form and Physical form</b>
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number has been provided as Sl.No. in the address label.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB#	<p>Enter the Date of Birth as recorded in demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio no. held on cut off date in the Dividend Bank details field.</li> </ul>

- viii) After entering these details appropriately, click on "SUBMIT" tab.

- ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant < NEELAMALAI AGRO INDUSTRIES LTD. > on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

## II. In case of members receiving the physical copy:

- A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- B) The voting period begins on 3<sup>rd</sup> September, 2014, Wednesday (9:00 a.m.) and ends on 5<sup>th</sup> September, 2014, Friday (6.00 p.m.). During this period shareholders' of the Company, holding shares in physical form, as on the cut-off date of <18<sup>th</sup> July 2014>, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- C) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## III. General instructions:

- i) Mr. V. Suresh, Practising Company Secretary (Membership No. FCS 2969) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- ii) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two(2)

witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- iii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 18<sup>th</sup> July 2014.
- iv) The Results shall be declared at the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.neelamalaiagro.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

## **EXPLANATORY STATEMENT**

*(Pursuant to Section 102 of Companies Act 2013)*

*Item No. 6*

### **Appointment of Mr. A.D.Bopana as Independent Director**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. A D Bopana, as Independent Director, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of Companies Act, 2013 (Act), every Listed Company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation.

Mr. A D Bopana has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. A.D.Bopana fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director.

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. A.D.Bopana for the office of Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. A D Bopana as Independent director is now being placed before the members for approval.

Mr. A D Bopana is interested in the resolution set out at Item No. 6 of the Notice with regard to his appointment.

None of the other Directors of the Company nor their relatives is, in any way concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend the Resolution for approval of the shareholders.

*Item No. 7*

### **Remuneration of Cost Auditors**

The Board has approved the appointment of M/s. Rajendran, Mani and Varier, Cost Accountants, Ravipuram, Kochi - 682 016, as Cost Auditors for conducting cost audit of the cost records of the Company for the financial year ending March 31, 2015, at a remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses .

In accordance with Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the Cost Auditors are required to be ratified by the shareholders of the Company.

None of the Directors of the Company nor their relatives is, in any way concerned or interested, financially or otherwise, in the resolution.

Your Directors recommend the Resolution for approval of the shareholders.

On Behalf of the Board

Place : Chennai  
Date : 29.05.2014

**Ajit Thomas**  
Chairman

**INFORMATION OF DIRECTORS RETIRING BY ROTATION SEEKING RE-ELECTION  
AT THIS ANNUAL GENERAL MEETING AND DIRECTORS TO BE APPOINTED.**

*(Pursuant to Clause 49 of the Listing Agreement)*

Name : Mr. Ajit Thomas  
Age : 59 years  
Qualifications : B.Sc (Statistics)  
Expertise : Mr. Ajit Thomas has rich experience in Industry, Administrative matters, Finance and Business Management with AVT Group companies for about three decades.

**Other directorships**

Name of the Company	Position held
A.V.Thomas & Company Ltd	: Executive Chairman
The Midland Rubber & Produce Company Ltd.	: Chairman
The Nelliampathy Tea & Produce Company Ltd.	: Chairman
AVT Natural Products Ltd.	: Chairman
AVT McCormick Ingredients Pvt. Ltd.	: Chairman
Teleflex Medical Pvt. Ltd.	: Chairman
Midland Latex Products Ltd.	: Chairman
A.V.Thomas Leather & Allied Products Pvt. Ltd.	: Chairman
AVT Holdings Pvt. Ltd.*	: Chairman
Ajit Thomas Holdings Pvt. Ltd.	: Director
Midland Corporate Advisory Services Pvt. Ltd.	: Director
AVT Natural Pte. Ltd., Singapore	: Director
A.V.Thomas Exports Ltd.	: Director
A.V.Thomas Investments Co. Ltd.	: Director
L.J.International Ltd.	: Director
AVT Gavia Foods Pvt. Ltd.	: Director
Midland Natural Pte. Ltd., Singapore	: Director
AVT Tea Services Ltd., UK	: Director
Saksoft Ltd.	: Director

\*Earlier known as AVT Infotech Pvt. Ltd.

Name : Mr. M.M.Karunakaran  
Age : 79 years  
Qualifications : B.Sc, B.E, M.I.E C. Eng (i)  
Expertise : Mr. M.M.Karunakaran has vast experience in the areas of Plantation Management & General Administration with A.V.Thomas Group Companies.

**Other directorships**

Name of the Company	Position held
The Midland Rubber & Produce Company Ltd.	: Director



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the SEVENTY FIRST ANNUAL REPORT, with the Audited Accounts for the year ended March 31, 2014.

### FINANCIAL RESULTS

	Rs.
Income from operations	
& other Income	33,34,31,729
Profit before Depreciation and Taxation	5,95,19,845
Depreciation	69,24,099
Profit before Taxation	5,25,95,746
Provision for Taxation	
(including MAT credit utilisation of Rs. 23,00,000)	50,00,000
Profit after Taxation	4,75,95,746
Surplus carried from previous year	63,44,034
Amount available for appropriation	5,39,39,780
Which your Directors	
recommend to appropriate :	
Transfer to General Reserve	2,00,00,000
Proposed Final Dividend on	
Equity Shares @ Rs. 40/- per share	2,50,94,000
Provision for tax on Final Dividend	42,64,725
Surplus carried to Balance Sheet	45,81,055
	5,39,39,780

### DIVIDEND

Your Directors have recommended a dividend of Rs. 40/- per Share on the Equity Shares, out of the profits for the year.

### OPERATIONS

Tea production during the year was 11.73 lacs Kgs with an average yield of 2228 kgs. per hectare against 11.23 lacs Kgs with an average yield of 2146 kgs. per hectare during last year. Apart from this there is also a production of 9.80 Lacs kgs of bought leaf as against 9.40 Lacs Kgs during the previous year. The sale average during the year was at Rs. 121.05 per Kg as against the last year's sale average of Rs. 109.74/- per Kg.

### DIRECTORATE

In accordance with the Articles of Association of the company, Mr. Ajit Thomas and Mr. M.M.Karunakaran, Directors retire by rotation and are eligible for re-election.

In accordance with the provisions of Section 149 of the Companies Act, 2013, Mr. A.D.Bopana, Director the Company has been appointed as Independent Director to hold office as per the tenure of appointment mentioned in the Notice calling the Annual General Meeting of the Company.

### AUDITORS

M/s Suri & Co, Chartered Accountants, Chennai, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. They have confirmed that their re-appointment, if made will be within the limits specified under Section 139 (1) of the Companies Act, 2013.

The appointment shall be for a period of three years as per the Companies Act, 2013, subject to ratification by shareholders at every Annual General Meeting.

### COST AUDITORS

M/s. Rajendran, Mani & Varier, Practicing Cost Accountants, Ravipuram, Kochi- 682016 have been duly appointed as Cost Auditors, on the recommendation of the Audit Committee, for conducting Cost Audit of the Company for current financial year ending March 31, 2015. They were also the cost auditors for the previous year ended March 31, 2014. As required under Section 148 of the Companies Act, 2013, necessary resolution has been included in the Notice convening the Annual General Meeting, seeking ratification by the Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2015.

Full particulars of the Cost Auditors alongwith other details pertaining to the Cost Audit are annexed.

Details of Cost Auditor : M/s. Rajendran, Mani & Varier  
Practicing Cost Accountants  
XXXIX/5360, Alappat Building  
Alappat Road, Ravipuram  
Ernakulam - 682016  
Registration No. 00006

Due & actual date of filing of : September 27, 2013  
Cost Audit Report for the year  
ended March 31, 2013

Due date of filing Cost Audit : September 30, 2014  
Report for the year ended  
March 31, 2014

## DEPOSITS

No deposits remained unclaimed or unpaid during the year under report.

## PARTICULARS OF EMPLOYEES

The Company has not incurred expenditure on employees to the extent specified in Section 217 (2A) of the Companies Act 1956, and hence no statement is attached to this report.

## LISTING WITH STOCK EXCHANGES

As per the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, the Company confirms that the listing of its shares continued through out the year with the following stock exchanges:

1. Bombay Stock Exchange Limited.
2. Madras Stock Exchange Limited.

## CONSERVATION OF ENERGY

The information required under 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, is set out in the Annexure.

## CORPORATE GOVERNANCE

The Code on Corporate Governance pursuant to revised Clause 49 of the Listing Agreement with the Stock Exchanges was made applicable to the Company with effect from 3<sup>rd</sup> November, 2011. Accordingly the Management Discussion & Analysis Report and Report on Corporate Governance with Certificate on compliance with conditions of Corporate Governance have been annexed to this report.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company's Foreign Exchange Earnings amounted to 17,64,93,231/-. The total outgo on Foreign Exchange amounted to Rs. 22,16,424/-. Details are set out in Notes 23 & 24 of the Notes on Accounts. The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of The Companies Act, 1956 with respect to Directors' Responsibility Statement, your Directors report that :

- i) The annual accounts have been prepared by following the applicable accounting standards.
- ii) The accounting policies selected have been applied consistently and judgments and estimates that were reasonable and prudent, have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the financial year.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The annual accounts have been prepared on a going concern basis.

## NOMINATION & REMUNERATION COMMITTEE (NR COMMITTEE)

As required under the provisions of Section 178 of the Companies Act, 2013, the Board at their meeting held on May 29, 2014 constituted NR Committee comprising of Mr. A.D.Bopana, Mr. S.Rajasekar and Mr. M.M.Karunakaran.

## SECRETARIAL COMPLIANCE

Pursuant to proviso to Section 383 A (1) of the Companies Act, 1956 Certificate to the effect that the Company has complied with all the provisions of the Companies Act, 1956 is obtained from a Secretary in Whole-time practice for filing with the Registrar of Companies and a copy of such Certificate is attached to this Report.

## GENERAL

The Directors take this opportunity to place on record their appreciation of the contribution made by the employees at all levels to the operations of the Company. The Directors also thank the Bankers of the Company for the co-operation and assistance extended to your Company.

On Behalf of the Board

Place : Chennai  
Date : 29.05.2014

**Ajit Thomas**  
Chairman

**ANNEXURE - I**  
*To the Directors' Report*

**FORM A**

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

<b>A. POWER &amp; FUEL CONSUMPTION</b>	<b>Current Year 2013 - 2014</b>	<b>Previous Year 2012 - 2013</b>
1. Electricity		
(a) Purchased		
Unit	<b>11,71,776</b>	8,78,869
Total Amount (Rs.)	<b>80,09,210</b>	63,68,533
Rate/Unit (Rs.)	<b>6.84</b>	7.25
(b) Own Generation		
Unit	<b>12,712</b>	57,874
Unit/litre of HSD Oil	<b>2.24</b>	2.18
Cost/Unit (Rs.)	<b>24.47</b>	23.09
2. Coal / Coal Fines / Leco		
Quantity(Tons)	<b>1,122.51</b>	1,490.19
Total Cost	<b>70,85,283</b>	93,95,987
Average Rate (Rs.)	<b>6,312.00</b>	6,305
3. Firewood		
Quantity(Tons)	<b>1453.53</b>	719.01
Total Cost	<b>41,23,650</b>	22,31,676
Average Rate (Rs.)	<b>2,837</b>	3,104
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production - Tea	<b>21,53,414</b>	20,63,380
Unit (TNEB + Generator)	<b>11,84,488</b>	9,36,743
Electricity (KWH/kg of tea produced)	<b>0.55</b>	0.45
Coal / Coal Fines / Leco (Kgs/Kg of tea Produced)	<b>0.70</b>	0.68
Firewood (Kgs/Kg of tea Produced)	<b>0.74</b>	2.01

On Behalf of the Board

Chennai  
29.05.2014

**Ajit Thomas**  
Chairman

**A N N E X U R E - II**  
*To the Directors' Report*

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The performance of Plantation Segment with regard to industry structure and development, opportunities and threats, segment wise performance, outlook, risks and concerns, internal control systems and its adequacy, discussion on financial performance with respect to operational performance and material developments in Human Resources/Industrial Relations Front, including number of people employed is analysed in detail below :-

**1) BUSINESS PROFILE**

The Company is engaged in Plantation activity and the crop dealt with by the Company is Tea and the main business being Tea Trading and exports.

The Company has two estates i.e. Katary & Sutton Estates, located in the Nilgiris District in TamilNadu, spanning an area of 635.56 Hectares.

The factory has facilities to produce Orthodox and CTC teas. Good manufacturing practices and HACCP systems are followed in the Tea factory. Currently the company produces 90% Orthodox and 10% CTC tea.

**2) INDUSTRY SCENARIO**

The sale price has shown improvement when compared to the previous year.

**3) PERFORMANCE**

During the year under review, sales has increased by 15.90 %. The company has posted an operating profit of Rs. 526 lakhs, as against Rs. 641 lakhs during the last year. The summary of the performance is given below:-

Particulars	31.03.2014 Rs. Lacs	31.03.2013 Rs. Lacs
Sales	2,806	2,421
Other Receipts	528	580
Total Income	3,334	3,001
Material Cost	710	652
Expenses	2,026	1,640
Profit before Interest and Depreciation	598	709
Interest	3	11
Depreciation	69	57
Operating Profit for the year	526	641

**4) OPPORTUNITIES AND THREATS**

**a. Opportunities**

Market potential is there for Tea which however is constrained by stiff competition from global, national and local players.

**b. Threats**

Any recession in general economy may affect the plantation industry also. The major threat for plantation industry is the yearly increase in cost of production which is not at all proportionate with the increase in sale realization. Moreover, plantation crops are generally prone to vagaries of nature and erratic monsoon.

## 5) OUTLOOK

The outlook for the industry depends on (a) consistent demand for Plantation Crops throughout the year (b) a higher realization commensurate with the cost of production and (c) the growth of packet tea segment. The Company has been constantly endeavoring on this. Quality upgradation and attainment of cost efficiency are the prime missions of the Company. Plant modernization and field development have been undertaken with the above missions in mind.

## 6) RISKS AND CONCERNS

With regard to the business risk, the same has been dealt with under Opportunities and Threats stated above.

As regards general risk, the company follows a minimal risk business strategy as given below:-

Particulars	Risk minimising steps
Fixed Assets and Current Assets	The company has taken adequate insurance coverage of its fixed assets and current assets which will minimize the impact of another event or development
Financial Risk	The company has a conservative debt policy.

## 7) INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has appropriate and adequate internal controls and also has appointed a leading firm of Chartered Accountants as Internal Auditors to cover Internal Audit of the Company. The Internal Audit coverage is adequate to ensure that the assets of the company are safeguarded and protected and there is regular review by Management on policies, internal controls and procedures and also internal audit reports.

## 8) FINANCIAL PERFORMANCE ANALYSIS

During the year under review, total revenue of the Company was Rs. 3334 Lacs as against Rs. 3001 Lacs during the previous year. Tea production including Bought Leaf during the year was 21.53 Lacs kgs as against 20.63 Lacs kgs. during the previous year. Other receipts have recorded an income of Rs. 528 Lacs as against Rs. 580 Lacs during the previous year.

## 9) INFORMATION TECHNOLOGY

The company has upgraded all its information systems resources and review of the same is done on a periodic basis.

## 10) HUMAN RESOURCES

The company attaches significant importance to continuous up gradation of Human Resources for improving the productivity of employees at all levels leading to improvement in quality of the produce, which will ensure a better customer satisfaction and a higher growth. As a part of HR strategy, training programmes are organised for employees at all levels. As on 31<sup>st</sup> March 2014, the company has an employee strength of 1149 nos.

## 11) CAUTIONARY STATEMENT

The analysis given above may contain certain statements which are futuristic in nature. Such statements represents the intention of the Management and the efforts put in by them to realise certain goals. The success in realising these goals depends on various factors, both internal and external. Therefore, the investors are requested to make their own independent judgements by taking into account all relevant factors before taking any investment decision.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause, and the practices followed by the Company.

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The basic objective of the Corporate Governance Policies adopted by the Company is to attain the highest levels of transparency, accountability and integrity. Your Company believes that Good Corporate Governance enhances the trust and confidence of all the stake holders.

## 2. a. BOARD OF DIRECTORS

The Board of Directors of the Company consists of Chairman and 5 Directors categorized as follows:-

Category	Name of the Directors
Promoter/Chairman	Mr. Ajit Thomas
Non-Executive Directors	Mrs. Shanthi Thomas Mr.S.Rajasekar
Non-Executive and Independent Directors	Mr. A. D. Bopana Mr. M. M. Karunakaran Mr. B.B.Medaiah

### Shareholdings of Non-executive Directors

Name of the Non-Executive Director	No. of Shares held
Mrs. Shanthi Thomas	4,10,353 equity shares jointly held with Mr. Ajit Thomas
Mr. A.D.Bopana	35
Mr. B.B. Medaiah	100
Mr. S.Rajasekar	1

## b. Board Meetings

### Number of Board Meetings held and the dates on which they were held :-

During the year 2013-2014, the Board met four times. The dates on which the meetings were held are as follows:-

29.05.2013, 01.08.2013, 01.11.2013 and 05.02.2014

The attendance of each Director in the Board Meetings, Last Annual General Meeting and the Number of their Directorship and Chairmanship/Membership of Committee of each Director in other companies are as follows :-

Director	Category	No. of Board Meeting attended	Last AGM Attendance (Yes / No)	No. of Directorships other than Neelamalai Agro Industries Ltd. Pvt. Ltd. Companies & Foreign Companies	No. of Memberships in Board Committees other than Neelamalai Agro Industries Ltd.	Whether Chairman / Member
Mr. Ajit Thomas	Chairman	4	No	8	1	Member
Mrs. Shanthi Thomas	Non- Executive Director	2	No	1	None	N. A.
Mr. S. Rajasekar	Non- Executive Director	4	No	2	2	Member
Mr. A.D.Bopana	Non- Executive Director	3	No	2	3	2 as Chairman 1 as member
Mr. M.M. Karunakaran	Non- Executive Director	4	No	1	2	Member
Mr. B.B. Medaiah	Non- Executive Director	3	Yes	2	1	Member

The Board meets at least once in a quarter and the interval between two meetings is normally not more than four months.

### 3. AUDIT COMMITTEE

The Audit Committee consists of four Directors out of which three are independent Directors.

Name of the Members:-

Mr.A.D.Bopana (Chairman)

Mr.S.Rajasekar

Mr.M.M.Karunakaran

Mr.B.B.Medaiah

All members of the Audit Committee are financially literate. The terms of reference stipulated by the Board to the Audit Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement with the Stock Exchanges.

During the year the Committee met four times on 29.05.2013, 01.08.2013, 01.11.2013 and 05.02.2014.

The attendance of members in the Audit Committee meetings are as follows :-

Member	No. of Audit Committee Meetings attended
Mr. A.D.Bopana	3
Mr. B.B.Medaiah	3
Mr. S.Rajasekar	4
Mr. M.M.Karunakaran	4

### 4. DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS

Name	Remuneration Rs.	Sitting Fees Rs.	Contribution to P.F. & Other Funds Rs.	Total Rs.
Promoter / Chairman				
Mr.Ajit Thomas	N.A.	20,000	N.A.	20,000
Non- Executive Directors: The Company pays sitting fees to all non- Executive Directors at the rate of Rs. 5,000/- for each meeting of the Board and Rs. 2,000/- for each Audit Committee meeting attended by them.				
Mrs. Shanthi Thomas	N.A.	10,000	N.A.	10,000
Mr. A.D.Bopana	N.A.	21,000	N.A.	21,000
Mr. B.B. Medaiah	N.A.	21,000	N.A.	21,000
Mr. S.Rajasekar	N.A.	28,000	N.A.	28,000
Mr. M.M.Karunakaran	N.A.	28,000	N.A.	28,000

### 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board has constituted a Shareholders/Investors' Grievance Committee comprising of Mr.A.D.Bopana, Mr.S.Rajasekar and Mr.M.M.Karunakaran as Members of the Committee. The Board has designated Mr.T.M.Hari Kumar, General Manager-Finance of the Company as the Compliance Officer.

There were no Investor Complaints pending as on 31<sup>st</sup> March 2014.

## 6. GENERAL BODY MEETINGS

a. Location and time of last three Annual General Meetings held.

Year	Venue	Date	Time
2010-11	Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213	24/08/2011	11.30 A.M
2011-12	Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213	12/09/2012	11.30 A.M
2012-13	Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213	02/09/2013	3.30 P.M

### b. Special Resolutions:

No Special Resolution was passed in the Annual General Meetings in the last three years.

### c. Postal Ballot

There were no resolutions requiring approval through Postal Ballot during the year.

## 7. DISCLOSURES

- (i) Related party transactions during the year have been disclosed in notes forming part of accounts as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India. There were no materially significant related party transactions with Directors/Promoters/Management which had potential conflict with the interests of the Company at large.
- (ii) There are no non-compliances by the Company and no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years

## 8. MEANS OF COMMUNICATION

The Unaudited quarterly and Audited Annual Financial results are sent to the Bombay, Madras and Coimbatore Stock Exchanges, where the shares of the Company are listed. The results are also published in Trinity Mirror in English and Makkal Kural in Tamil.

## 9. GENERAL SHAREHOLDER INFORMATION

(i)	Annual General Meeting -Date and Time -Venue		September 10, 2014 at 3.30 p.m. Katary Estate, Katary Post, Coonoor, The Nilgiris - 643213
(ii)	Financial Calendar (Tentative)	Unaudited Results for the quarter ending 30.06.2014 quarter ending 30.09.2014 quarter ending 31.12.2014 Audited Financial Results for the year ending 31.03.2015	Before 15.08.2014 Before 15.11.2014 Before 15.02.2015  Before end of May, 2015
(iii)	Dates of Book Closure		04.09.2014 to 10.09.2014 (both days inclusive)
(iv)	Dividend Payment Date		Within 25 days from the date of AGM
(v)	Listing on Stock Exchanges	Bombay, Madras and Coimbatore Stock Exchanges	The Annual Listing Fees prescribed has been paid to the above Stock Exchanges.
(vi)	a) Stock Code  b) Demat ISIN Number in CDSL for equity shares	Bombay Stock Exchange Madras Stock Exchange	NEAGI NEELAMALAI  INE 605D01012
(vii)	Stock Market Data	Bombay Stock Exchange	Rs. 1,092.10 (last traded price - January 20, 2014)

## 10 TRANSFER AGENTS

M/S CAMEO CORPORATE SERVICES LIMITED  
Subramanian Building, No.1, Club House Road  
Chennai – 600 002.



## 11. SHARE TRANSFER SYSTEM

The Company's shares are traded in the Bombay stock exchange in demat mode. The transfer of physical shares of the company are now handled by our Transfer Agent M/s Cameo Corporate Services Limited, Chennai. Shares in physical mode, which are lodged for transfer either with the Company or with the Share Transfer Agent, are processed and the share certificates are returned to the transferees within 15 days of lodgement, as per the listing agreement.x

### a. Distribution of Shareholding as on 31.03.2014

No. of Equity Shares	Shareholders		No. of Equity Shares	
	Number	%	Number	%
Upto 500	1,080	94.82	1,36,688	21.79
501-1000	41	3.60	33,236	5.30
1001-2000	9	0.79	11,806	1.88
2001-3000	4	0.35	9,950	1.58
3001-4000	2	0.17	7,000	1.12
4001-5000	0	0	0	0
5001-10000	1	0.09	7,730	1.23
10001 & above	2	0.18	4,20,940	67.10
TOTAL	1,139	100	6,27,350	100

### b. Pattern of Shareholding as on 31.03.2014

Category	No. of Equity Shares	Percentage
Promoters	4,14,203	66.02
Banks	4,250	0.68
NRI's	50	0.01
Bodies Corporate	8,056	1.28
Public	2,00,791	32.01
TOTAL	6,27,350	100

### c. Dematerialisation of Shares

The shares of this Company are partially in demat form.

## 12. The Company has not issued any Global Depository Receipts/ Warrants and Convertible Bonds

## 13. PRODUCTION CENTRES

TEA	Katary & Sutton Estates, Katary Post Coonoor, The Nilgiris - 643 213
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## 14. ADDRESS FOR CORRESPONDENCE

P.B. No. 4260, Panampilly Nagar P. O., Kochi - 682 036

Telephone : 0484 - 2315312

Fax : 0484 - 2312541

E mail : secneelamalai@vsnl.net

Website : www.neelamalaiagro.com

## DECLARATION BY THE CHAIRMAN UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them for the Financial Year ended 31<sup>st</sup> March 2014.

For Neelamalai Agro Industries Ltd.,

Chennai  
29.05.2014

AJIT THOMAS  
Chairman

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE  
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of

Neelamalai Agro Industries Limited

I have examined the compliance of Corporate Governance by Neelamalai Agro Industries Limited, for the year ended 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me,

I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I further state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

V. SURESH  
PRACTISING COMPANY SECRETARY

Membership No: 6032

Place : Kochi

Date : 29.05.2014

## A N N E X U R E - I I

### *To the Directors' Report - Secretarial Compliance Certificate*

CIN	: L011171Z1943PLC000117
Paid-up Capital	: Rs. 62,73,500/-

To

The Members

Neelamalai Agro Industries Limited

I have examined the registers, records, books and papers of M/s. Neelamalai Agro Industries Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31<sup>st</sup> March 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid period:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Coimbatore within the prescribed time under the Act and rules made there under.
3. The Company being Public Limited Company, comments are not required.
4. The Board of Directors met four times during the year under review on 29.05.2013, 01.08.2013, 01.11.2013 and 05.02.2014 in respect of which meetings proper notices were given and the proceedings have been properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 27.08.2013 to 02.09.2013 and necessary compliance of Section 154 has been made.
6. The Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2013 was held on 02.09.2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

7. No Extra-ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has complied with the provisions of Section 297 of the Act in respect of the transactions specified in that section.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has issued duplicate share certificates during the financial year and complied with the provisions of the Act.
13. The Company has:
  - i. Delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
  - ii. Deposited the amount of dividend declared for the year 2012-2013 in separate bank accounts within 5 days from the respective dates of declaration.
  - iii. Paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the dates of declaration and that all/ unclaimed/unpaid dividend have been transferred to Unpaid Dividend Accounts of the Company with the HDFC Bank Limited.
  - iv. Transferred the amounts in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - v. Duly complied with the requirements of Section 217 of the Companies Act, 1956.

14. The Board of Directors of the Company is duly constituted and there was no appointment of any directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The company has not appointed any Managing Director/ Whole Time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was required to make an application to the Central Government for appointment of Cost Auditor, which was duly made and the approval obtained. No application was required to be made to the Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under various provisions of the Act, during the financial year under review.
18. The directors have disclosed their interests in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any equity shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including any unsecured loans, falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the company from financial institutions and banks during the financial year ending 31<sup>st</sup> March, 2014 are within the borrowing limits of the company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose. However investments have been made and necessary entries in respect thereof have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As per the information and explanation provided to me, the Company has deposited both employer's and employee's contribution towards Provident Fund with the prescribed authorities.

**V. Suresh**

Place : Kochi  
Date : 29.05.2014

Practising Company Secretary  
C P No. 6032

## A N N E X U R E - A

### *To the Secretarial Compliance Certificate - Contd.*

#### *Registers as maintained by the company*

- |  |  |
|--|--|
| <ol style="list-style-type: none"><li>1. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975.</li><li>2. Register of Charges under Section 143.</li><li>3. Register of Members under Section 150.</li><li>4. Minutes Book of meetings of the Board/ Shareholders.</li><li>5. Register of particulars of Contracts in which Directors are interested under Section 301.</li></ol> | <ol style="list-style-type: none"><li>6. Register of Directors, Managing Director, Manager and Secretary under Section 303.</li><li>7. Register of Directors' Shareholdings under Section 307.</li><li>8. Register of Investments/ Loans made, guarantee given or security provided under Section 372A.</li><li>9. Register of Duplicate Share Certificates.</li></ol> |
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## A N N E X U R E - B

### *To the Secretarial Compliance Certificate*

Returns, Documents and Forms filed with the Registrar of Companies, Tamil Nadu during the year 01.04.2013 to 31.03.2014.

- |  |  |
|--|--|
| <ol style="list-style-type: none"><li>1. Form 23C in respect of application to Central Government for appointment of Cost Auditor for the year ended 31.03.2014 was filed on 28.06.2013.</li><li>2. Form 5INV for statement of unclaimed and unpaid amounts pertaining to financial year ended 31.03.2012 was filed on 29.06.2013.</li><li>3. Form 32 passed by the shareholders in respect of change in designation of Mr.B.B.Medaiah was filed on 14.09.2013.</li><li>4. Compliance Certificate under Section 383A of the Companies Act, 1956 for the year 2012 - 2013 was filed on 27.09.2013.</li><li>5. Form IXBRL in respect of Cost Audit Report for the financial year ended 31.03.2013 was filed on 27.09.2013.</li><li>6. Balance Sheet (Form 23ACXBRL), Profit &amp; Loss Account (Form 23 ACAXBRL), Directors' Report and Auditors' Report under Section 220 of the Companies Act, 1956 for the financial year ended 31.03.2013 was filed on 07.11.2013.</li></ol> | <ol style="list-style-type: none"><li>7. Annual Return (Schedule V) under Section 159 for the Annual General Meeting held on 02.09.2013 was filed on 15.11.2013.</li><li>8. Form 1INV in respect of statement of amount credited to Investor Education &amp; Protection Fund, the Unpaid/ unclaimed dividend amounting to Rs. 2,56,460/- pertaining to the year 2005-2006 was filed on 26.11.2013.</li><li>9. Form 5INV for statement of unclaimed and unpaid amounts pertaining to financial year ended 31.03.2013 was filed on 03.02.2014.</li></ol> |
|--|--|

Place : Kochi  
Date : 29.05.2014

**V. Suresh**  
Practising Company Secretary  
C P No. 6032

# INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

## Report on the Financial Statements

We have audited the accompanying financial statements of Neelamalai Agro Industries Limited ('the Company') -which comprise the Balance Sheet as at 31-Mar-2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13 September 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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.

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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 31- Mar-2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date and ;
- (c) in the case of the Cash Mow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. on the basis of written representations received from the directors as on 31-Mar-2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31-Mar-2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to-be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **SURI & CO.**  
Chartered Accountants  
Firm No.004283S

**G. Rengarajan**  
Partner  
Membership No. 219922

Chennai  
29.05.2014

**A N N E X U R E**  
*To the Auditors' Report*

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) Physical verification of major items of these assets has been conducted by the Management during the financial year and no material discrepancies were noticed on such verification. In our opinion, procedures followed by the management is reasonable having regards to the size of the Company and the nature of its assets.
- (c) No substantial part of Fixed Assets of the company has been disposed off during the year and therefore, do not affect the going concern assumptions.
- ii) (a) Physical verification of Inventory has been conducted by the Management at reasonable intervals.
- (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory and no material discrepancies have been noticed on physical verification of inventory as compared to book records.
- iii) (a) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties, covered in the register maintained under Section 301 of the Companies Act, 1956 and hence the clauses (Hi) (a), (b), (c) & (d) of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence the clauses {iii} (e), (f) & (g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of our audit.
- v) (a) In respect of the contracts or arrangements referred to in Section 301 of the Act, to the best of our knowledge and according to the information and explanation given to us, the particulars of the contracts or arrangements have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of five lakh rupees *in* respect of any party during the year have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 5SAA or other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- vii) The Company has an Internal Audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained.
- ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service Tax, Customs duty, Excise duty, Cess and other statutory dues applicable for it. No undisputed statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) There are no disputed statutory dues
- x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash loss in the current financial year and in the immediately preceding financial year,

- xi) The Company has not defaulted in repayment of dues to banks.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities,
- xiii) The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society.
- xiv) The Company is not dealing or trading in shares, securities, debentures or other investments.

- xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.

For **SURI & CO.**  
Chartered Accountants  
Firm No.004283S

**G. Rengarajan**  
Partner  
Membership No. 219922

Chennai  
29.05.2014



## BALANCE SHEET

*As at 31 st March 2014*

Particulars	Notes	Figures as at the end of 31.03.2014 Rs.	Figures as at the end of 31.03.2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	62,73,500	62,73,500
(b) Reserves and Surplus	3	<u>33,84,48,355</u>	<u>32,02,11,334</u>
		<u>34,47,21,855</u>	<u>32,64,84,834</u>
<b>(2) Non - Current Liabilities</b>			
(a) Long - Term Borrowings	4	Nil	Nil
(b) Long - Term Provisions		<u>1,58,364</u>	<u>33,183</u>
		<u>1,58,364</u>	<u>33,183</u>
<b>(3) Current Liabilities</b>			
(a) Short - Term Borrowings	5	94,78,720	1,01,89,668
(b) Trade Payables		31,08,919	18,82,943
(c) Other Current Liabilities		3,24,15,713	2,72,22,167
(d) Short - Term Provisions		<u>4,00,96,713</u>	<u>2,05,99,482</u>
		<u>8,51,00,065</u>	<u>5,98,94,260</u>
TOTAL		<u>42,99,80,284</u>	<u>38,64,12,277</u>
<b>II. ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	6	6,99,96,970	6,30,70,375
(ii) Capital work in progress		Nil	2,56,730
		<u>6,99,96,970</u>	<u>6,33,27,105</u>
(b) Non - Current Investments	7	9,58,98,786	9,58,98,786
<b>(2) Current Assets</b>			
(a) Current Investments	8	16,88,30,004	13,15,08,679
(b) Inventories	9	1,86,72,638	2,19,87,493
(c) Trade Receivables	10	3,74,10,901	2,95,74,986
(d) Cash and Cash equivalents	11	1,07,69,884	1,23,55,466
(e) Short - Term Loans and Advances	12	2,60,45,731	3,13,25,202
(f) Other Current Assets		23,55,370	4,34,560
		<u>26,40,84,528</u>	<u>22,71,86,386</u>
Significant Accounting Policies	1		
TOTAL		<u>42,99,80,284</u>	<u>38,64,12,277</u>

Notes 1 to 12 and 22 to 32 and Cash Flow Statement form part of this Balance Sheet

Vide our report of date attached

For **SURI & CO.**  
Chartered Accountants  
Firm's Registration No. 004283S

For and on behalf of the Board

**G. Rengarajan**

Place: Chennai  
Date: 29.05.2014

Partner  
Membership No. 219922

**Ajit Thomas**  
Chairman

**S. Rajasekar**  
Director

## **STATEMENT OF PROFIT AND LOSS**

*For the Year Ended 31st March 2014*

Particulars	Notes	Figures for the year ended 31.03.2014 Rs.	Figures for the year ended 31.03.2013 Rs.
I Revenue from Operations	13	28,06,13,501	24,20,90,406
II Other Income	14	5,28,18,228	5,80,10,954
III Total Revenue	(I + II)	<u>33,34,31,729</u>	<u>30,01,01,360</u>
<b>IV Expenses</b>			
Cost of Material Consumed	15	7,10,37,582	6,52,01,385
Purchase of Stock - in - Trade	16	1,12,392	1,78,999
Increase (-) / Decrease (+) in Inventory	17	(+) 3,23,000	(-) 31,27,000
Other Manufacturing Expenses	18	4,01,13,120	3,98,73,361
Employee Benefits Expenses	19	10,64,10,199	8,00,49,659
Finance Cost	20	2,61,162	11,09,406
Depreciation and Amortisation Expense		69,24,099	56,85,599
Other Expenditure	21	5,56,54,429	4,70,24,104
Total Expense		<u>28,08,35,983</u>	<u>23,59,95,513</u>
V Profit before exceptional and extraordinary items and tax	(III - IV)	5,25,95,746	6,41,05,847
VI Exceptional / extraordinary items		Nil	Nil
VII Profit Before Tax	(V - VI)	<u>5,25,95,746</u>	<u>6,41,05,847</u>
<b>VIII TAX EXPENSES</b>			
Current Tax	27,00,000		
Add : MAT Credit Utilisation	<u>23,00,000</u>	50,00,000	30,00,000
Deferred Tax		Nil	Nil
IX Profit After Tax	(VII - VIII)	<u>4,75,95,746</u>	<u>6,11,05,847</u>
X Earnings per Share	26		
(1) Basic		75.87	97.40
(2) Diluted		75.87	97.40

Note 1, 13 to 32 and Cash Flow Statement form part of this Statement of Profit and Loss.

Vide our report of date attached

For **SURI & CO.**  
Chartered Accountants  
Firm's Registration No. 004283S

**G. Rengarajan**

Place: Chennai  
Date: 29.05.2014

Partner  
Membership No. 219922

For and on behalf of the Board

**Ajit Thomas**  
Chairman

**S. Rajasekar**  
Director

## **NOTES ON ACCOUNTS**

*for the year ended 31st March, 2014*

### **NOTE : 1**

#### **A. ACCOUNTING POLICIES**

##### **I. ACCOUNTING CONVENTION**

The financial statements have been prepared on the historical cost convention in accordance with the generally accepted accounting principles and comply in all material respects with the notified accounting standards by Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

##### **II. FIXED ASSETS AND DEPRECIATION**

- a) Fixed Assets are stated at historical cost less depreciation. Cost includes, taxes and duties (but does not include taxes and duties for which CENVAT / VAT credit is available), freight and other direct or allocated expenses during construction period, net of any income earned. Assets acquired on Hire Purchase are capitalized at principal value
- b) Depreciation is provided at the rates specified in Schedule XIV to the Companies Act, 1956, on written down value method. Assets costing individually less than Rs. 5,000/-are depreciated at 100 %. On additions to and deductions from Fixed Assets, depreciation is provided on pro-rata basis

##### **III. IMPAIRMENT OF ASSETS**

The Company reviews the carrying amounts of its assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount and the impairment loss, if any, is recognized in the Statement of Profit & Loss.

##### **IV. BORROWING COSTS**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset, upto the date of acquisition/completion of construction.

Other borrowing costs are recognised as expense as and when incurred.

##### **V. INVESTMENTS**

Long Term Investments are stated at cost. Decline in value of long term investments, other than temporary, is provided for. Current investments are stated at lower of cost and fair value. Investment in immovable properties is stated at cost less depreciation.

##### **VI. INVENTORIES**

Inventories are valued at lower of cost on weighted average and net realisable value, after providing for obsolescence wherever considered necessary. Cost includes taxes and duties (other than duties and taxes for which CENVAT / VAT credit is available), freight and other direct expenses.

##### **VII. REVENUE RECOGNITION**

Revenue is recognized on accrual and when no significant uncertainty on measurability or collectability exists. Expenditure is accounted for on their accrual.

##### **SALE OF GOODS**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

##### **INTEREST**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

##### **DIVIDENDS**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

## **NOTES ON ACCOUNTS**

*for the year ended 31st March, 2014*

### **NOTE : 1 (contd.)**

#### **A. ACCOUNTING POLICIES**

##### **VIII. EMPLOYEE BENEFITS**

Gratuity Liability which is a defined benefit scheme and provision for Leave Encashment is accrued and provided for on the basis of independent actuarial valuation based on projected unit credit method made at the end of each financial year. Actuarial gains and losses are recognised in the Statement of Profit & Loss and are not deferred.

Retirement benefits in the form of Provident Fund, Family Pension Fund and Super Annuation Schemes, which are defined contribution schemes are charged to the Statement of Profit & Loss of the year when the contribution to the respective funds accrues.

##### **IX. FOREIGN CURRENCY TRANSACTIONS**

Foreign Currency Transactions are recorded at the rates of exchange in force at the time transactions are effected. In the case of forward contracts, the difference between forward rate and exchange rate on the date of transaction is dealt with in the Statement of Profit and Loss on the Completion of the transaction. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are converted at the year end exchange rate and the resultant loss or gain is dealt with in the Statement of Profit & Loss.

##### **X. GOVERNMENT GRANTS**

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue

Subsidies related to revenue are recognised in the Statement of Profit and Loss to match them with the related costs which they are intended to compensate.

##### **XI. TAXES ON INCOME**

Provision for Income-Tax is made for both current and deferred tax. Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax is accounted for by computing the tax effect of the timing difference which arise during the year and reverse out in the subsequent periods. Deferred tax is calculated at the tax rates substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is a virtual certainty that they will be realized.

##### **XII. EARNINGS PER SHARE**

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

##### **XIII. PROVISIONS**

A Provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and determined based on the best estimate required to settle the obligation at the reporting date. These estimate are reviews at each reporting date and adjusted to reflect the current best estimates.

## **NOTES ON ACCOUNTS**

*for the year ended 31st March, 2014*

### **NOTE : 1 (contd.)**

#### **A. ACCOUNTING POLICIES**

##### **XIV. CONTINGENT LIABILITIES**

A Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

##### **XV. CONTINGENT ASSETS**

Contingent Assets are neither recognised nor disclosed.

##### **XVI. EXPENDITURE ON NEW PLANTING**

Direct Expenditure on new planting of different crops (other than Minor Produce) including upkeep and maintenance expenditure on immature plants are capitalised under "Development".

##### **XVII. EXPENDITURE ON REPLANTING**

Direct Expenditure on replanting of Tea including upkeep and maintenance expenditure on immature plants is charged to the Statement of Profit and Loss with credit as to Subsidy on replanting of Tea as Revenue.

##### **XVIII. CASH FLOW STATEMENT**

Cash Flow Statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of

- (i) Transactions of a non-cash nature.
- (ii) Any deferrals or accruals of past or future operating cash receipts or payments and
- (iii) Items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in Cash Flow Statement.

**NOTES FORMING PART**  
*of the Balance Sheet as at 31st March 2014*

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
--	----------------------------	----------------------------

**NOTE : 2**

**SHARE CAPITAL**

*a. Authorised*

9,00,000 - Equity Shares of Rs.10/- each	90,00,000	90,00,000
3,50,000 - 5 % Preference Shares of Rs.10/- each	35,00,000	35,00,000
	<b>1,25,00,000</b>	<b>1,25,00,000</b>

*b. Issued, Subscribed and Paid - up*

6,27,350 - Equity Shares of Rs.10/- each.	62,73,500	62,73,500
---	-----------	-----------

*c. Number of Shares at the beginning of the year*

Add / Less : Shares Issued / buyback etc	Nil	Nil
Number of shares at the end of the year	<b>6,27,350</b>	<b>6,27,350</b>

*d. Details of Shareholders holding more than 5% of equity shares as on 31.03.2014*

Name of Shareholder	31.03.2014		31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ajit Thomas	4,10,353	65.41%	4,10,353	65.41%

*No bonus shares / Buy back of shares in last 5 years*

**NOTES FORMING PART**  
*of the Balance Sheet as at 31st March 2014 (contd.)*

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>NOTE : 3</b>		
<b>RESERVES AND SURPLUS</b>		
<i>Capital Redemption Reserve</i>		
As per last Balance Sheet	27,26,500	27,26,500
<i>General Reserve</i>		
As per last Balance Sheet	31,11,40,800	
Add : Transfer from Profit & Loss Account	<u>2,00,00,000</u>	
	33,11,40,800	31,11,40,800
<i>Surplus</i>		
Balance in Profit and Loss Account	4,75,95,746	6,11,05,847
Add : Surplus Brought forward from previous year	<u>63,44,034</u>	<u>44,99,987</u>
	<u>5,39,39,780</u>	<u>6,56,05,834</u>
<i>Appropriations</i>		
Transfer to General Reserve	2,00,00,000	3,00,00,000
Interim dividend paid on Equity shares (Previous year - 20/- per share)	---	1,25,47,000
Tax on Interim dividend	---	20,35,437
Proposed Final Dividend on Equity shares @ Rs. 40/- per Share (Previous year @ Rs.20/- per share)	2,50,94,000	1,25,47,000
Provision for tax on final dividend	<u>42,64,725</u>	<u>21,32,363</u>
Net surplus in the statement of Profit & Loss	<u>45,81,055</u>	<u>63,44,034</u>
	<u>33,84,48,355</u>	<u>32,02,11,334</u>

**NOTES FORMING PART**  
*of the Balance Sheet as at 31st March 2014 (contd.)*

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>NOTE : 4</b>		
<b>NON CURRENT LIABILITIES</b>		
<i>a. Long - Term borrowings</i>		
<i>From Banks</i>	Nil	Nil
<i>b. Long Term Provisions</i>		
<i>Provision for Employee benefits</i>		
For Gratuity	Nil	Nil
For Leave Encashment	1,58,364	33,183
	<b>1,58,364</b>	<b>33,183</b>
<b>NOTE : 5</b>		
<b>CURRENT LIABILITIES</b>		
<i>a. Short - Term borrowings</i>		
Cash Credit	10,18,034	1,01,89,668
Export Packing Credit	40,00,000	Nil
Export Packing Credit in Foreign Currency	44,60,686	Nil
(The Company's borrowing facilities comprising cash credit facility of Rs. 2,75,00,000 - Cash Credit at the interest rate of 0.85%, above base rate, Present base rate being @ 11.10%, Export Packing Credit at the rate of 3% below the rate of 10.75% and Export Packing Credit in foreign currency at the rate of 2.50% above the LIBOR -secured by hypothecation of stock-in-Trade, Standing Crops, Book Debts, Vehicles and also equitable mortgage of Katary Estate with Buildings thereon.)		
	<b>94,78,720</b>	<b>1,01,89,668</b>
<i>b. Trade Payable</i>		
Sundry Creditors	31,08,919	18,82,943
(Refer note No. 25 for details of dues to micro and small enterprise.)		



**NOTES FORMING PART**  
*of the Balance Sheet as at 31st March 2014 (contd.)*

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>c. Other Current Liabilities</b>		
Investor Education and Protection Fund		
- Unpaid Dividend	1,01,47,305	98,46,290
Unpaid Preference Capital	2,25,110	2,25,110
Other current liabilities	2,20,43,298	1,71,50,767
	<u>3,24,15,713</u>	<u>2,72,22,167</u>
<b>d. Short - Term Provisions</b>		
<i>Provision for Employee benefits</i>		
For Leave Encashment	5,396	1,195
For Gratuity	61,23,343	17,56,730
<i>Other Provisions</i>		
For Taxation	46,09,249	41,62,194
For Proposed Dividend on Equity Shares	2,50,94,000	1,25,47,000
For Tax on Dividend	42,64,725	21,32,363
	<u>4,00,96,713</u>	<u>2,05,99,482</u>

**NOTES FORMING PART**  
*of the Balance Sheet as at 31st March 2014 (contd.)*

**NOTE : 6**

**TANGIBLE ASSETS**

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2013 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2014 Rs.	Up to 31.03.2013 Rs.	For the year Rs.	Withdrawn Rs.	Up to 31.3.2014 Rs.	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
Freehold and Development	2,66,71,159	---	---	2,66,71,159	---	---	---	---	2,66,71,159	2,66,71,159
Buildings	3,81,03,184	---	---	3,81,03,184	1,71,75,481	10,79,510	---	1,82,54,991	1,98,48,193	2,09,27,704
Machinery	5,09,47,408	1,12,08,881	---	6,21,56,289	4,35,05,394	35,02,462	---	4,70,07,856	1,51,48,433	74,42,014
Furniture and Fittings	52,75,626	4,94,475	---	57,70,101	39,16,810	3,08,784	---	42,25,594	15,44,507	13,58,816
Vehicles	1,80,39,831	21,47,338	---	2,01,87,169	1,13,69,148	20,33,343	---	1,34,02,491	67,84,678	66,70,683
	13,90,37,208	1,38,50,694	---	15,28,87,902	7,59,66,833	69,24,099	---	8,28,90,932	6,99,96,970	6,30,70,376
Previous year	13,47,44,438	46,42,905	3,50,135	13,90,37,208	7,05,75,026	56,85,599	2,93,792	7,59,66,833	6,30,70,375	6,41,69,412

**NOTES FORMING PART**  
*of the Balance Sheet as at 31st March 2014 (contd.)*

**NOTE : 7**  
**Non Current Investments - At Cost**

Description	As on 01.04.2013			Additions			Deductions			As on 31.03.2014		
	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.		
<b>1. SHARES IN COMPANIES - LONG TERM - AT COST : (#)</b>												
(A) EQUITY SHARES (FULLY PAID): ASSOCIATE COMPANIES												
(i) QUOTED :												
L. J. International Ltd.	64	313							64	313		
AVT Natural Products Ltd. (Face value Re.1/-)	3,04,56,800	2,58,96,668							6,09,13,600	2,58,96,668		
		<u>2,58,96,981</u>								<u>2,58,96,981</u>		
(ii) UNQUOTED : *												
AVT McCormick Ingredients Pvt. Ltd.	31,50,000	3,15,00,000							31,50,000	3,15,00,000		
Midland Corporate Advisory Services Pvt Ltd.	2,50,000	25,00,000							2,50,000	25,00,000		
Midland Natural Pre Ltd. (US \$ 1/Share)	2,00,000	90,20,000							2,00,000	90,20,000		
		<u>4,30,20,000</u>								<u>4,30,20,000</u>		
<b>2. IN IMMOVABLE PROPERTIES</b>												
Value of Land		2,69,81,805								2,69,81,805		
		<b>9,58,98,786</b>								<b>9,58,98,786</b>		
(1) Aggregate amount of Quoted investments												
(Market Value - Rs. 1,30,35,55,680/- Previous year Rs. 80,10,18,480/-)												
(2) Aggregate amount of Unquoted investments												
(3) Aggregate amount of immovable properties												
		<u>9,58,98,786</u>								<u>9,58,98,786</u>		
(*) The right to transfer shares is restricted under Section 3(iii) (a) of the Companies Act, 1956, being Private Limited Companies.												
(#) Face value of Equity Shares is Rs. 10/- fully paid up unless otherwise stated.												
(##) Increase in shares represents Bonus issue in the ratio of 1:1 received during the year.												

**NOTES FORMING PART**  
of the Balance Sheet as at 31st March 2014 (contd.)

**NOTE : 8**

**Current Investments - Lower of Cost and Fair Value**

Description	As on 01.04.2013		Additions		Deductions		As on 31.03.2014	
	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.
<b>1. SHARES IN COMPANIES - SHORT TERM - AT COST : #</b>								
(A) EQUITY SHARES - QUOTED:								
Aban Lloyd Chiles Offshore Ltd.	3,000	32,83,242			3,000	32,83,242		
Tata Consultancy Services Ltd. (Re. 1/- share)	2,432	5,16,800					2,432	5,16,800
Great Eastern Shipping Co. Ltd.	1,800	4,95,347					1,800	4,95,347
IL & FS Investment Managers Ltd. (Formerly IL & FS Venture Corporation Ltd)	16,100	5,04,566					24,150	5,04,566
IL & FS Transportation Networks Ltd.	1,000	2,25,883					1,000	2,25,883
Nava Bharat Ventures Ltd.	750	1,52,908					750	1,52,908
NHPC Ltd.	4,600	99,124					4,600	99,124
Noida Toll Bridge Co. Ltd.	18,400	4,75,961					18,400	4,75,961
Escorts Ltd.	14,100	12,42,151					14,100	12,42,151
MOIL Limited	1,840	6,03,461					1,840	6,03,461
Piramal Enterprises Ltd. (Formerly Piramal Healthcare Ltd)	1,720	6,95,173					1,720	6,95,173
JK Paper Ltd.	3,200	1,50,903					3,200	1,50,903
Zodiac Clothing Co. Ltd.	300	63,489					300	63,489
Amtek Auto Ltd	550	49,120			550	49,120		
E.L.D Parry (India) Ltd.	1,080	1,98,556					1,080	1,98,556
Sonata Software Ltd	5,000	1,08,205			5,000	1,08,205		
SRF Ltd	460	99,500					460	99,500
Credit Analysis and Research Ltd			247	1,38,975				
Gateway Distriparks Ltd.			335	34,454				
Engineers India Ltd.			680	1,00,383				
Nesco Ltd.			110	88,001				
		89,64,389		3,61,813		35,79,542		57,46,660
		22,95,051				22,95,051		
		66,69,338		3,61,813		12,84,491		57,46,660
Less : Diminution in value								

## NOTES FORMING PART

*of the Balance Sheet as at 31st March 2014 (contd.)*

### NOTE : 8

#### Current Investments - Lower of Cost and Fair Value (Contd...)

Description	As on 01.04.2013			Additions			Deductions			As on 31.03.2014	
	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	
<b>B. MUTUAL FUNDS (QUOTED)</b>											
Sundaram BNP Paribas Energy Opportunities Fund	2,50,000	25,00,000			2,50,000	25,00,000			---	---	
ICICI Prudential Flexible Income	4,20,086	4,44,17,814		4,88,574	5,16,52,791	3,03,82,650			6,21,250	6,56,87,955	
Templeton India Low duration - DM	5,89,063	60,90,281		23,430	3,11,864	64,02,145			---	---	
Templeton India Ultra short Bond	7,38,697	73,99,676		33,30,492	3,33,92,869	84,00,000			32,30,942	3,23,92,545	
Goldman Sachs Liquid Exchange Traded Scheme	6	5,845		187	1,87,255	1,90,256			3	2,844	
BSL MNC - D	11,278	10,00,000							11,278	10,00,000	
ICICI Prudential Recovery - D	48,876	10,00,000							48,876	10,00,000	
ICICI Prudential top 100 - D	69,881	10,00,000							69,881	10,00,000	
IDFC Sterling Equity Fund	72,921	10,00,000							72,921	10,00,000	
Reliance Equity Opportunities	39,835	10,00,000							39,835	10,00,000	
ICICI Pru Series 66-405D Plan	10,00,000	1,00,00,000							10,00,000	1,00,00,000	
ICICI Pru Short Term Growth	20,90,633	5,00,00,000							20,90,633	5,00,00,000	
		<u>12,54,13,616</u>			<u>8,55,44,779</u>	<u>4,78,75,051</u>				<u>16,30,83,344</u>	
Less : Diminution in value		<u>5,74,275</u>			<u>---</u>	<u>5,74,275</u>				<u>---</u>	
		<u>12,48,39,341</u>			<u>8,55,44,779</u>	<u>4,73,00,776</u>				<u>16,30,83,344</u>	
		13,15,08,679			8,59,06,592	4,85,85,267				16,88,30,004	
				<b>31.03.2014</b>	<b>31.03.2013</b>						
(1) Aggregate amount of Quoted investments				16,88,30,004	13,43,78,005						
(Market Value - Rs. 17,87,29,053/- Previous year Rs. 13,34,61,579/-)											
Less : Aggregate provision for diminution in value of investments				---	28,69,326						
				<u>16,88,30,004</u>	<u>13,15,08,679</u>						

(#) Face value of Equity Shares is Rs. 10/- fully paid up unless otherwise stated.

**NOTES FORMING PART**  
*of the Balance Sheet as at 31st March 2014 (contd.)*

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>NOTE : 9</b>		
<b>INVENTORIES</b>		
(Value at lower of cost and net realisable value)		
Stores and Spares	38,79,638	68,71,493
Stock in Trade	1,47,93,000	1,51,16,000
	<u>1,86,72,638</u>	<u>2,19,87,493</u>
<b>NOTE : 10</b>		
<b>TRADE RECEIVABLES</b>		
Considered good - Unsecured:		
(a) Trade receivable outstanding for more than six month from the date they become due for payment	Nil	Nil
(b) Other receivable	3,74,10,901	2,95,74,986
	<u>3,74,10,901</u>	<u>2,95,74,986</u>
<b>NOTE : 11</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and stamps on hand	25,242	96,078
Bank balances with Scheduled Banks		
In Current Account	3,72,227	21,87,988
	<u>3,97,469</u>	<u>22,84,066</u>
In Dividend / Capital Refund Account	1,03,72,415	1,00,71,400
	<u>1,07,69,884</u>	<u>1,23,55,466</u>
Bank deposit with more than 12 months Maturity	Nil	Nil
<b>NOTE : 12</b>		
<b>SHORT - TERM LOANS AND ADVANCES</b>		
Considered good - Unsecured		
Advances recoverable in cash or in kind or for value to be received		
- Debts due by Officers of the Company	Nil	Nil
- Others	19,35,275	64,24,151
Deposits:		
(a) With NABARD under Tea Development Scheme	30,82,650	37,14,650
(b) Other Deposits	8,88,941	8,12,887
Other Loans and Advances		
Tax payments pending adjustment	38,38,865	17,73,514
MAT Credit Entitlement	1,63,00,000	1,86,00,000
	<u>2,60,45,731</u>	<u>3,13,25,202</u>

## **NOTES FORMING PART OF THE STATEMENT**

*of Profit and Loss for the year ended 31st March 2014*

	<b>For year ended 31.03.2014 Rs.</b>	<b>For year ended 31.03.2013 Rs.</b>
<b>NOTE : 13</b>		
<b>REVENUE FROM OPERATIONS</b>		
a) Sale of Products		
Tea	26,11,12,085	22,28,94,248
Tea Waste	47,22,000	21,15,000
Tea Subsidy	67,01,061	1,02,39,281
Exchange Fluctuations	(14,84,990)	1,12,260
b) Other Operating Revenue		
Sale of Import Entitlements	81,16,821	53,98,707
Duty Drawback	14,46,524	13,30,910
	<u>28,06,13,501</u>	<u>24,20,90,406</u>
<b>NOTE : 14</b>		
<b>OTHER INCOME</b>		
Income from Investments		
(i) Long Term	4,45,11,226	4,98,32,887
(ii) Current	49,05,790	74,92,629
Interest Received	2,01,705	4,85,674
Profit / (Loss) on Sales of Non Current Investment	---	11,471
Profit / (Loss) on Sales of Current Investments	---	225
Profit on Sale of Assets	---	25,674
Provision no longer required written back	28,69,326	---
Miscellaneous Receipts	3,30,181	1,62,394
	<u>5,28,18,228</u>	<u>5,80,10,954</u>

## NOTES FORMING PART OF THE STATEMENT

*of Profit and Loss for the year ended 31st March 2014 (contd..)*

	For year ended 31.03.2014 Rs.	For year ended 31.03.2013 Rs.
<b>NOTE : 15</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Consumption of Raw material - Bought Leaf	7,10,37,582	6,52,01,385
<b>NOTE : 16</b>		
<b>PURCHASE OF TRADED GOODS</b>		
Tea	1,12,392	1,78,999
<b>NOTE : 17</b>		
<b>INCREASE / DECREASE IN INVENTORY</b>		
<i>Inventory at the beginning of the year :</i>		
Tea	1,51,16,000	1,19,89,000
<i>Inventory at the end of the year :</i>		
Tea	1,47,93,000	1,51,16,000
(+)	3,23,000	(-) <u>31,27,000</u>
<b>NOTE : 18</b>		
<b>OTHER MANUFACTURING EXPENSES</b>		
Consumption of Stores and Spares	1,85,57,588	1,80,55,498
Power and Fuel	1,95,69,019	1,93,63,833
Repairs and Maintenance	19,86,513	24,54,030
	4,01,13,120	3,98,73,361
<b>NOTE : 19</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries Wages and Bonus	8,88,71,322	6,99,98,449
Contribution to Provident and Other Funds	78,51,617	59,49,404
Provision for Gratuity (Refer Note 30)	61,23,343	17,56,730
Provision for Leave Encashment (Refer Note 30)	1,29,382	(5,97,440)
Welfare Expenses	34,34,535	29,42,516
	10,64,10,199	8,00,49,659
<b>NOTE : 20</b>		
<b>FINANCE COST</b>		
Interest	2,61,162	11,09,406



## **NOTES FORMING PART OF THE STATEMENT**

*of Profit and Loss for the year ended 31st March 2014 (contd..)*

	For year ended 31.03.2014 Rs.	For year ended 31.03.2013 Rs.
<b>NOTE : 21</b>		
<b>OTHER EXPENSES</b>		
Rent and Amenities	12,79,500	---
Repairs and Maintenance:		
Roads and Buildings	1,19,00,316	1,12,67,561
Vehicles	50,78,879	40,40,009
Others	4,99,997	10,53,858
Insurance	7,47,085	8,19,238
Rates and Taxes	16,18,602	18,59,541
Payment to Auditors		
For Audit	6,00,000	4,50,000
For Certification / Tax Audit	1,41,000	1,40,000
For Tax Representation	1,85,000	1,72,500
For Travelling and other Expenses	98,500	1,38,000
For Service Tax	1,26,629	1,11,302
Transport and warehousing	81,08,745	80,64,726
Brokerage and Commission	77,04,262	51,62,251
Travelling Expenses	55,83,575	44,34,209
Legal and Professional Expenses	30,64,613	30,19,598
Postage and Telephones	8,31,260	6,24,372
Printing and Stationery	3,83,989	3,63,429
Bank Charges	2,38,860	1,43,144
Directors' Sitting Fees	1,28,000	1,09,000
Advertisement and Sales Promotion	67,707	1,00,223
Loss on sale of Investment	26,58,743	---
Miscellaneous Expenses	46,09,167	49,51,143
	<b>5,56,54,429</b>	<b>4,70,24,104</b>

**NOTES ON ACCOUNTS**  
*for the year ended 31st March 2014 (contd.)*

	Year ended 31.03.2014 Rs.	Year ended 31.03.2013 Rs.
--	---------------------------------	---------------------------------

**NOTE : 22**

**PARTICULARS OF CONSUMPTION (in Rupees)**

	Value in Rs.	%	Value in Rs.	%
(a) Rawmaterials - Bought Leaf				
Indigenous	7,10,37,582	100	6,52,01,385	100
(b) Stores and Spares:				
Indigenous	1,85,57,588	100	1,69,34,861	94
Imported	---		11,20,637	6
	1,85,57,588	100	1,80,55,498	100

**NOTE : 23**

**EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY**

a) Earnings			
FOB Value of Exports	17,64,93,231		15,40,51,129
b) CIF Value of Imports			
Stores & Spares		---	9,69,141

**NOTE : 24**

**EXPENDITURE IN FOREIGN CURRENCY**

a) Testing Fee	9,13,097	8,96,488
b) Travelling Expenses	10,88,241	11,10,647
c) Registration Fee	2,15,086	45,297

**NOTE : 25**

**DUE TO MICRO AND SMALL ENTERPRISES**

Based on the information available with the Company, the Principal amount due to Micro and Small enterprises as on 31.03.2014 is Nil (Previous year Rs. Nil). There are no overdue principal amounts and therefore no interest is paid or payable.

**NOTE : 26**

**EARNINGS PER SHARE**

Profit after Taxation	4,75,95,746	6,11,05,847
Number of Equity Shares outstanding at the end of the year	6,27,350	6,27,350
Basic EPS	75.87	97.40
Diluted EPS	75.87	97.40

**NOTE : 27**

**CONTINGENT LIABILITY**

Contracts remaining to be executed on Capital Account	---	15,52,315
---	-----	-----------

**NOTES ON ACCOUNTS**  
*for the year ended 31st March 2014 (contd.)*

**NOTE : 28**

**SEGMENT REPORTING**

The Company's operations relate only to Plantation Crops in the domestic as well as export market and accordingly primary segment reporting disclosure for business segments, as envisaged in Accounting Standard 17 on "Segment Reporting (AS 17)" issued by The Institute of Chartered Accountants of India, are not applicable.

The Company's operations relating to Secondary segment reporting has been confined to sales in India and export outside India.

Fixed Assets used in the Company's business and liabilities contracted in respect of its sole manufacturing facilities are not identifiable in line with the following reportable segments as the fixed assets and liabilities contracted are used interchangeably between two segments. Accordingly only figures for debtors have been given

Secondary Segment Reporting

Particulars	Domestic Rs.	Export Rs.	Total Rs.
Revenue by Geographical Segment	8,19,62,179 (7,26,68,062)	17,91,49,906 (15,02,26,186)	26,11,12,085 (22,28,94,248)
Sundry Debtors	1,10,62,543 (84,88,230)	2,63,48,358 (2,10,86,756)	3,74,10,901 (2,95,74,986)

**NOTE : 29**

**ACCOUNTING FOR TAXES ON INCOME**

The impact of Deferred Tax on Income for the year is considered not material and hence not recognised.

**NOTE : 30**

**EMPLOYEE BENEFITS**

i) Defined Benefit Plans

a) Description of the Company's defined benefit plan :

i) Gratuity Scheme

This is a funded defined benefit plan for qualifying employees for which, the Company makes contribution to the Gratuity Fund managed by the Life Insurance Corporation of India. The Scheme provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

ii) Leave Encashment

The company also operates a non funded leave encashment scheme for its employees.

**NOTES ON ACCOUNTS**  
*for the year ended 31st March 2014 (contd.)*

**NOTE : 30**

**EMPLOYEE BENEFITS (Contd.)**

b) Reconciliation of changes in the Present Value of Obligations :

	As on 31.03.2014		As on 31.03.2013	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
Present Value of the Obligation as on 01.04.2013	2,68,26,684	34,378	2,55,64,412	6,31,818
Current Service Cost	31,05,078	69,495	24,80,479	11,430
Interest Cost	20,66,305	(1,504)	20,46,203	34,821
Benefits Paid	(23,16,603)	(1,06,130)	(30,35,651)	(4,44,317)
Actuarial loss / (gain)	31,31,863	1,67,521	(2,28,759)	(1,99,374)
Present Value of the Obligation as on 31.03.2014	<u>3,28,13,327</u>	<u>1,63,760</u>	<u>2,68,26,684</u>	<u>34,378</u>

c) Reconciliation of changes in the fair value of Plan Assets

Fair Value of Plan Assets as on 01.04.2013	2,50,69,954	Nil	2,58,68,440	Nil
Expected return on plan assets	21,79,903	Nil	22,37,165	Nil
Contribution by the Company	17,56,730	1,06,130	Nil	4,44,317
Benefits Paid	(23,16,603)	(1,06,130)	(30,35,651)	(4,44,317)
Actuarial gain / (Loss)	Nil	Nil	Nil	Nil
Fair Value of Plan Assets as on 31.03.2014	<u>2,66,89,984</u>	<u>Nil</u>	<u>2,50,69,954</u>	<u>Nil</u>

d) The total expense recognised in the Profit and Loss Account is as follows

Current Service Cost	31,05,078	69,495	24,80,479	11,430
Interest Cost	20,66,305	(1,504)	20,46,203	34,821
Expected return on plan assets	(21,79,903)	---	(22,37,165)	---
Net Actuarial (gain) / loss recognised in the year	31,31,863	1,67,521	(2,28,759)	(1,99,374)
	<u>61,23,343</u>	<u>2,35,512</u>	<u>20,60,758</u>	<u>(1,53,123)</u>

e) Reconciliation of Net Liability recognised in the Balance Sheet

Net Liability as at the beginning of the year	17,56,730	34,378	(3,04,028)	6,31,818
Add : Expense as (d) above	61,23,343	2,35,512	20,60,758	(1,53,123)
Less : Employer's Contribution / Payment	(17,56,730)	(1,06,130)	0	(4,44,317)
Net Liability as at the end of the year	<u>61,23,343</u>	<u>1,63,760</u>	<u>17,56,730</u>	<u>34,378</u>

**NOTES ON ACCOUNTS**  
*for the year ended 31st March 2014 (contd.)*

**NOTE : 30**

**EMPLOYEE BENEFITS (Contd.)**

	As on 31.03.2014		As on 31.03.2013	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
f) Constitution of Plan Assets				
Investments in LIC Group Gratuity Scheme	<b>2,66,89,984</b>	N.A.	2,50,69,954	N.A.
g) Principal actuarial assumptions used as at the Balance Sheet Date				
Discount Rate	<b>9.10 %</b>	9.10 %	8.50 %	8.50 %
Salary Escalation Rate	<b>3 %</b>	3 %	5 %	3 %
Attrition Rate	<b>2 %</b>	2 %	2 %	2 %
Expected rate of return on plan assets	<b>8.75 %</b>	N.A.	9.25 %	N.A.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

h) The amount pertaining to defined benefit plan are as follows:

	<u>31.03.2014</u>	<u>31.03.2013</u>	<u>31.03.2012</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
Gratuity funded plan					
Defined Benefit Obligation	3,28,13,327	2,68,26,684	2,55,64,412	2,28,19,446	2,33,97,416
Plan Assets	2,66,89,984	2,50,69,954	2,58,68,440	2,03,90,752	2,07,13,359
Surplus / (Deficit)	(61,23,343)	(17,56,730)	3,04,028	(24,28,664)	(26,84,057)
Experience adjustment - Plan Liability	31,31,863	(2,28,759)	9,01,800	(14,06,763)	15,49,801
Experience adjustment - Plan Assets	---	---	(2,17,008)	(12,820)	(2,55,108)

The Company expects to fund Rs. 49/- lakhs towards its Gratuity Plan during the year 2014 - 2015.

ii) Defined Contribution Plans:

The Company makes contribution towards employees' provident fund, family pension fund, super annuation fund and employees' state insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised Rs. 76,04,137/- as expense towards contributions to these plans.

**NOTES ON ACCOUNTS**  
*for the year ended 31st March 2014 (contd.)*

**NOTE : 31**

**RELATED PARTY TRANSACTIONS**

Following associate companies are related to the Company on account of common control through Constitution of Board / Shareholdings

- |  |  |
|--|--|
| - A. V. Thomas & Company Ltd.              | - AVT Holdings Private Ltd.                          |
| - A. V. Thomas International Ltd.          | - A. V. Thomas Leather and Allied Products Pvt. Ltd. |
| - L. J. International Ltd.                 | - A. V. Thomas Exports Ltd.                          |
| - A. V. Thomas Investments Company Ltd.    | - Midland Latex Products Ltd.                        |
| - The Nelliampathy Tea & Produce Co. Ltd.  | - Sermatech Private Ltd.                             |
| - The Midland Rubber & Produce Co. Ltd.    | - Ajit Thomas Holdings Private Limited               |
| - A V T Natural Products Ltd.              | - Midland Corporate Advisory Services (P) Ltd.       |
| - AVT McCormick Ingredients Private Ltd.   | - AVT Natural Pte. Ltd.                              |
| - IQ Tech Private Ltd.                     | - AVT Gavia Foods Private Ltd.                       |
| - Teleflex Medical Private Ltd.            | - Midland Charitable Trust                           |
| - J. Thomas Educational & Benevolent Trust | - AVT Tea Services Ltd.                              |
| - Midland Natural Pte. Ltd.                |  |

Key Management Personnel :

Mr. Ajit Thomas, Chairman  
Mr. S. Rajasekar, Director

Details of Transaction	Year ended 31.3.2014		Year ended 31.3.2013	
	Associates	Key Management Personnel (including relatives)	Associates	Key Management Personnel (including relatives)
<b>INCOME</b>				
Sales	2,23,60,705		2,10,06,217	
Dividend Received	4,42,67,000		4,96,18,306	
<b>EXPENDITURE</b>				
Purchases / C&F Charges	1,700		2,01,380	
Sitting Fees		58,000		46,000
Professional Charges	6,72,911		11,11,240	
Dividend paid		82,07,060		1,23,10,590
Donations Paid	20,00,000		10,00,000	
<b>OTHERS</b>				
Investments made				
Sale of investments	Nil		Nil	
<b>BALANCE AS ON 31.3.2014</b>				
Debit Balances	63,42,283		41,75,563	
Credit Balances	Nil		40,000	

Note : 32 Previous Year's figures have been re-grouped wherever necessary

Vide our report of date attached

For **SURI & CO.**  
Chartered Accountants  
Firm's Registration No. 004283S

For and on behalf of the Board

**G. Rengarajan**

Place : Chennai  
Date : 29.05.2014

Partner  
Membership No. 219922

**Ajit Thomas**  
Chairman

**S. Rajasekar**  
Director

## CASH FLOW STATEMENT

*For the year ended 31st March 2014*

	Year ended 31.03.2014 Rs	Year ended 31.03.2013 Rs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	5,25,95,746	6,41,05,847
Adjustments for:		
Depreciation	69,24,099	56,85,599
Profit or Loss on sale of Assets	---	(25,674)
Profit or Loss on sale of Investments	26,58,743	(11,696)
Provision for Gratuity	61,23,343	17,56,730
Provision for Leave Encashment	1,29,382	(5,97,440)
Interest / Dividend Received	(4,96,18,721)	(5,78,11,190)
Interest Paid	2,61,162	11,09,406
	<u>(3,35,21,992)</u>	
Operating Profit before working capital changes	1,90,73,754	1,42,11,582
Adjustments for:		
Trade and other Receivables	(78,35,915)	(41,28,370)
Inventories	33,14,855	(77,44,710)
Trade Payables	43,61,777	70,86,283
Other Current Assets	50,44,822	15,41,225
	<u>48,85,539</u>	
Cash generated from operations	2,39,59,293	1,09,66,010
Direct Taxes Paid	(43,18,296)	(54,90,378)
Cash Flow before Extraordinary items	1,96,40,997	54,75,632
Extraordinary Items	Nil	Nil
Net Cash From Operating Activities	<u>1,96,40,997</u>	<u>54,75,632</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,35,93,964)	(48,99,635)
Sale of Fixed Assets	---	82,017
Purchase of Investments	(8,59,06,592)	(17,10,23,268)
Sale of Investments	4,87,95,850	13,18,13,580
Diminution in the value of Investments written back	(28,69,326)	6,56,179
Interest Received	(17,19,105)	5,25,803
Dividend Received	4,94,17,016	5,73,25,516
Net Cash from / (used in) Investing Activities	<u>(58,76,121)</u>	<u>1,44,80,192</u>

## CASH FLOW STATEMENT

*For the year ended 31st March 2014 (contd.)*

	<b>Year ended 31.03.2014 Rs</b>	<b>Year ended 31.03.2013 Rs</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	---	(32,14,000)
Cash Credit	<b>(7,10,948)</b>	62,29,276
Interest Paid	<b>(2,61,162)</b>	(11,09,406)
Dividend Paid	<b>(1,46,79,363)</b>	(2,18,73,656)
Net Cash used in Financing Activities	<b>(1,56,51,473)</b>	(1,99,67,786)
	<b>(18,86,597)</b>	(11,962)
Net Decrease in cash and cash equivalents		
Cash and cash equivalents as at 01.04.2013 (Opening Balance)	<b>22,84,066</b>	22,96,028
Cash and cash equivalents as at 31.03.2014 (Closing Balance)	<b>3,97,469</b>	22,84,066
	<b>(18,86,597)</b>	(11,962)

Vide our report of date attached

For **SURI & CO.**  
Chartered Accountants  
Firm's Registration No. 004283S

**G. Rengarajan**

Place : Chennai  
Date : 29.05.2014

Partner

Membership No. 219922

For and on behalf of the Board

**Ajit Thomas**  
Chairman

**S. Rajasekar**  
Director



**PARTICULARS OF PROFITS, PROVISIONS, DIVIDENDS PAID ETC.**

*For the last ten years*

Season	Net Profit before taxation Rs.	Depreciation Rs.	Provision for Taxation Rs.	Allocation to Reserve Funds Rs.	Dividend on Equity shares. Rs. %	
2004/2005	72,79,331	37,89,902	7,00,000	75,00,000	15,68,375	25
2005/2006	1,06,03,332	41,48,576	6,25,000	75,00,000	31,36,750	50
2006/2007	2,57,13,527	31,94,836	13,00,000	1,50,00,000	62,73,500	100
2007/2008	2,42,05,871	31,58,553	14,25,000	1,50,00,000	62,73,500	100
2008/2009	2,56,19,110	35,58,028	16,10,000	1,50,00,000	62,73,500	100
2009/2010	3,54,16,401	43,82,159	46,00,000	2,50,00,000	62,73,500	100
2010/2011	3,21,93,459	51,99,773	37,00,000	2,00,00,000	94,10,250	150
2011/2012	14,58,61,621	52,77,408	32,00,000	6,00,00,000	6,27,35,000	1000
			(Net of MAT credit entitlement of Rs. 1,96,00,000)		(Special Interim Divided) 62,73,500 (Final Dividend)	100
2012/2013	6,41,05,847	56,85,599	30,00,000	3,00,00,000	1,25,47,000 (Interim Divided) 1,25,47,000 (Final Dividend)	200
			(Net of MAT credit utilisation of Rs. 10,00,000)			200
<b>2013/2014</b>	<b>5,25,95,746</b>	<b>69,24,099</b>	<b>50,00,000</b>	<b>2,00,00,000</b>	<b>2,50,94,000</b>	<b>400*</b>
			(Net of MAT credit utilisation of Rs. 23,00,000)			

\* Recommended

**AREA PARTICULARS**

Area as on 01-04-2014

	KATARY Hectares	SUTTON Hectares	TOTAL Hectares
<b>TEA:</b>			
In bearing	228.43	298.24	526.67
Immature	26.94	15.81	42.75
Buildings, Roads, etc.	26.39	39.75	66.14
<b>TOTAL</b>	<b>281.76</b>	<b>353.80</b>	<b>635.56</b>

## NATIONAL ELECTRONIC CLEARING SERVICE (NECS) MANDATE FORM

To be submitted to the following address :-

**To the following address if shares are held in physical form**

OR

**To your Depository Participant (DP) if shares are held in demat form**

Cameo Corporate Services Ltd.  
Subramanian Building,  
1, Club House Road, Chennai - 600 002  
Tel: 044 - 28461173

Dear Sirs,

**Sub: Equity Shares of Neelamalai Agro Industries Limited. - payment of Dividend through NECS**

I/We hold..... number/s equity shares of **Neelamalai Agro Industries Limited.** I/We request you to arrange for payment of my/our dividend through NECS and credit the same to my/our bank account as per particulars given below:-

<b>1. First / Sole Shareholder's Name (in Block Letters)</b>			
<b>2. Folio No/s., Share Certificate No/s. &amp; Distinctive No/s.</b>	Folio No/s.	Share Certificate No/s.	Distinctive No/s.
<b>3. DPID / Client ID (if shares are dematerialized)</b>			
<b>4. Name of Bank</b>			
<b>5. Branch Name and Address with City PIN Code</b>			
<b>6. Account No. (as appearing on Cheque Book)</b> <b>PLEASE ATTACH A BLANK CANCELLED CHEQUE OR PHOTOCOPY OF A CHEQUE ISSUED BY YOUR BANK FOR VERIFICATION OF THE BANK ACCOUNT DETAILS</b>			
<b>7. Account type (Savings Bank A/c / Current A/c or Cash Credit A/c with code 10/11/13)</b>	10 - S. B.	11 - Current	13 - Cash Credit
<b>8. 9 - digit code No. of Bank &amp; Branch appearing on MICR Cheque issued by the Bank</b>			
<b>9. 11 - digit NEFT (IFSC) code * - can be obtained from your Banker</b>			

I, hereby, declare that the particulars given above are correct and complete.

Yours faithfully

Date:

(Signature of First/Sole Shareholder)

Address : .....

.....

.....

Phone No. : .....

Email Id : .....

\*The company, its Registrar and Bankers will make best endeavors to remit dividend through NECS. However, for non-CBS branches of the banks, the IFSC Code will be utilized to remit the dividend either by National Electronic Funds Transfer (NEFT) or Real Time Gross Settlement (RTGS). The branch where you operate your Bank account will assist you to provide the IFSC Code, a 11-digit code to enable the remittance through NEFT or RTGS. In cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, the company reserves the right to use physical payment instruments for payment of dividend.

# NEELAMALAI AGRO INDUSTRIES LTD.

Registered. Office : Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213  
Corporate Identity Number (CIN): L01117TZ1943PLC000117 Telephone : 0423 - 2284235, Fax: 0423 - 2284080  
E-mail: secneelamalai@vsnl.net Website : www.neelamalaiagro.com

## ATTENDANCE SLIP

I hereby record my presence at the 71<sup>st</sup> Annual General Meeting of the Company at 3.30 P.M. on Wednesday, the 10th September 2014 at the Registered Office of the Company at Katary Estate, Katary Post, Coonoor, The Nilgiris - 643213

Folio No. / DP-IP & Client ID No.																				
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Full Name of the \*Shareholder/proxy (in block letters)

Signature of \*Shareholder/proxy

\* Strike out whichever is not applicable

E-mail ID.....

NOTE: Shareholders attending the meeting in Person / Proxy are requested to complete the Attendance Slip and handover at the entrance of the Meeting Hall.

### Form No. MGT-11

#### Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Corporate Identity Number (CIN) : L01117TZ1943PLC000117  
Name of the Company : NEELAMALAI AGRO INDUSTRIES LTD.  
Registered Office : Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213

Name of the member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No / Client ID	:	
DP ID	:	

I / We, being the member(s) holding ..... shares of the above named Company, hereby appoint

1.Name.....

Address.....

E-mail Id : .....Signature : ..... or failing him

2.Name.....

Address.....

E-mail Id : .....Signature : ..... or failing him

3.Name.....

Address.....

E-mail Id : .....Signature : .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 71<sup>st</sup> Annual General Meeting of the Company, to be held on Wednesday, the 10th day of September 2014 at 3.30 P.M. at the Registered Office of the Company at Katary Estate, Katary Post, Coonoor, The Nilgiris – 643213 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Item Nos.

1. Adoption of accounts for the year ended 31.03.2014
2. To declare dividend on Equity Shares
3. Re-appointment of Mr. Ajit Thomas as Director
4. Re-appointment of Mr. M.M..Karunakaran as Director

5. Re-appointment of Auditors
6. Appointment of Mr. A.D.Bopana as Independent Director
7. Remuneration of Cost Auditors

Signed this ..... day of ..... 2014

Signature of shareholder

Signature of Proxy holder(s)

Revenue Stamp of Re 1/-
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Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.