

# **NEELAMALAI AGRO INDUSTRIES LIMITED**

**66th Annual Report  
2008 - 2009**

## SIXTY SIXTH ANNUAL GENERAL MEETING

Day : Monday  
Date : 17th August, 2009  
Time : 11.30 a.m.  
Venue : Katary Estate  
Katary Post, Coonoor  
The Nilgiris - 643 213

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**NEELAMALAI AGRO INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

Mr. Ajit Thomas, *Chairman & Managing Director*

Mrs. Shanthi Thomas

Mr. C.R. Dorai Raj

Mr. A.D. Bopana

Mr. K. C. Eapen (*upto 29.01.2009*)

Mr. V. C. Kuruvilla

Mr. H.M.A. Hussain

Mr. B.B. Medaiah (*upto 29.01.2009*)

Mr. S. Rajasekar

**AUDITORS**

M/s. Suri & Co.

Chartered Accountants

**BANKERS**

Corporation Bank

**REGISTERED OFFICE**

Katary Estate

Katary Post - 643 213

Coonoor, The Nilgiris

## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the SIXTY SIXTH ANNUAL GENERAL MEETING of the Company will be held at the Registered Office at Katary Estate, Katary Post – 643 213 at 11.30 A.M. on Monday, the 17<sup>th</sup> August, 2009 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009 and the Reports of Directors and Auditors.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mrs. Shanthi Thomas, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. H.M.A Hussain, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to fix their remuneration.

By Order of the Board  
For Neelamalai Agro Industries Ltd.

Place : Chennai  
Date : 27.05.2009

**Ajit Thomas**  
Chairman & Managing Director

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXY FORMS COMPLETE IN ALL RESPECTS, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. FORM OF PROXY IS ENCLOSED.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 10<sup>th</sup> August, 2009 to 17<sup>th</sup> August, 2009 (both days inclusive).
3. The dividend as recommended by the Board, if approved at the meeting, will be payable to those members, whose name appear in the Register of Members as on 17<sup>th</sup> August, 2009.

4. 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.
5. Dividend on equity shares as recommended by the Board of Directors for the year ending 31<sup>st</sup> March, 2009, 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 17<sup>th</sup> August, 2009, after giving effect to all valid share transfers in physical form which would be received by the Company on or before 10<sup>th</sup> August, 2009.
6. Members who are holding shares in physical form are requested to notify immediately any change in their address to the Registered Office of the Company.
7. 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 in to one folio.
8. 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.
9. Company's shares are listed at the Coimbatore Stock Exchange Limited, Stock Exchange Building, 683 686, Trichy Road, Singanallur, Coimbatore - 641 005, The Bombay Stock Exchange Limited, Mumbai 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.
10. The Unpaid Dividend amounting to Rs.94,944/- for the year 2000-2001 had been transferred to the Investor Education & Protection Fund as per Section 205C of the

Companies Act, 1956. Dividend declared for the year 2001-2002 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.

The shareholders who have not claimed dividend up to the year 1993-94 may claim such dividend from The Registrar of Companies, Coimbatore Stock Exchange

Building, 683, Trichy Road, Coimbatore – 641 005  
against the transferred amount of unpaid dividend up  
to the year 1993-94 to General Revenue Account of the  
Central Government.

By Order of the Board  
For Neelamalai Agro Industries Ltd.

Place : Chennai  
Date : 27.05.2009

**Ajit Thomas**  
Chairman & Managing Director

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the SIXTY SIXTH ANNUAL REPORT, with the Audited Accounts for the year ended 31st March, 2009.

### FINANCIAL RESULTS

	Rs.
Income from operations	
& other Income	16,31,41,414
Profit before Depreciation & Taxation	<u>2,91,77,138</u>
Depreciation	35,58,028
Profit before Taxation	<u>2,56,19,110</u>
Provision for Taxation - Current Tax	15,00,000
Provision for Taxation - Deferred Tax	(90,000)
Provision for Taxation - Fringe Benefit Tax	<u>2,00,000</u>
Profit after Taxation	<u>2,40,09,110</u>
Surplus Carried from previous year	43,14,759
Amount available for appropriation	<u>2,83,23,869</u>
Which your Directors	
recommend to appropriate :	
Transfer to General Reserve	1,50,00,000
Proposed Dividend on	
Equity Shares at 100%	62,73,500
Provision for tax on Dividend	10,66,181
Surplus carried to Balance Sheet	59,84,188
	<u>2,83,23,869</u>

### DIVIDEND

Your Directors have recommended a dividend of Rs 10 per share on the Equity shares out of the profits for the year.

### OPERATIONS

Tea production during the year was 13.35 lacs Kgs with an average yield of 2420 kgs. per hectare against 13.56 lacs Kgs with an average yield of 2381 kgs. per hectare during last year. Apart from this there is also a production of 4.64 Lacs kgs of bought leaf as against 3.76 Lacs Kgs during the previous year. The sale average during the year was at Rs.72.16 per Kg as against the last year's sale average of Rs.65.34/- per Kg.

### DIRECTORATE

In accordance with the Articles of Association of the company, Directors Mrs. Shanthi Thomas and Mr. H.M.A Hussain retire by rotation and are eligible for re-appointment.

During the year, Mr.B B Medaiah & Mr. K. C. Eapen ceased to be members of the Board, consequent to their resignations at the Board Meeting held on 29<sup>th</sup> January 2009. The Board accepted the resignations and places on record its appreciation and gratitude for the valuable services rendered by them during their tenure as Directors of the Company.

### AUDITORS

M/s Suri & Co, Chartered Accountants, auditors of the Company retire at the conclusion of the ensuing Annual General Meeting Meeting and being eligible offer themselves for reappointment. They have confirmed that their re-appointment,if made will be within the limits prescribed under Section 224 (1B) of the Companies Act,1956.

### DEPOSIT

Except for two deposits amounting to Rs.25000/-, no other deposits remained unclaimed.

### WHOLLY OWNED SUBSIDIARY

M/s.Bluemountain Developments Corp. has ceased to be a Wholly Owned Subsidiary of the Company with effect from 17<sup>th</sup> December 2008 and hence consolidated financial statements are not furnished.

### 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.

### 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 I to this report.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company's Foreign Exchange Earnings amounted to Rs. 4,27,70,783. The total outgo in Foreign Exchange amounted to Rs. 52,99,680/-. The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

## **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 judgements 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.

## **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 as Annexure II 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.

For and On behalf of the Board

Place : Chennai  
Date : 27.05.2009

**Ajit Thomas**  
Chairman & Managing Director

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

**FORM-A**  
(SEE RULE 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	<b>Current Year</b>	<b>Previous Year</b>
<b>A. POWER AND FUEL CONSUMPTION</b>	<b>2008-2009</b>	<b>2007-2008</b>
1. Electricity		
a) Purchased		
Unit	7,22,808	8,67,048
Total Amount (Rs.)	37,05,805	42,60,230
Rate / Unit (Rs.)	5.13	4.91
b) Own Generation		
Unit	86,300	12,720
Unit / litre of HSD Oil	2.23	2.14
Cost / Unit (Rs.)	17.23	16.37
2. Coal / Coal fines / Leco / Leco fines		
Quantity (Tons)	863.555	770.39
Total Cost	46,07,066	32,97,248
Average Cost (Rs.)	5,335	4,280
3. Firewood		
Quantity (Tons)	1,070.760	1,000.630
Total Cost	22,48,596	18,21,146
Average Cost (Rs.)	2,100	1,820
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production - Tea	17,99,878	17,32,043
Unit (TNEB + Generator)	8,09,108	8,79,768
Electricity (KWH/kg of tea produced)	0.45	0.51
Leco / Coal / Coal Fines (kgs/kg of tea produced)	0.74	0.66
Firewood (kgs/kg of tea produced)	1.69	1.79

For and On behalf of the Board

Place : Chennai  
Date : 27.05.2009

**Ajit Thomas**  
Chairman & Mananging Director

## ANNEXURE - I I

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

Registration No. : U01117TZ1943PLC000117
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Paid-up Capital : Rs. 62,73,500/-
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To

The Members

Neelamalai Agro Industries Limited

I have examined the registers, records, books and papers of 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 2009. 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 and the rules made there under 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, provisions of Section 3 (1) (iii) are not applicable.
4. The Board of Directors met four times during the year under review on 28.04.2008, 28.07.2008, 24.10.2008, and 29.01.2009 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 04.09.2008 to 10.09.2008 and necessary compliance of Section 154 has been made.
6. The Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2008 was held on 10.09.2008 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 Contracts 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 not issued any duplicate certificate during the financial year.
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 in a separate bank account on 10.09.2008 which is within 5 days from the date of declaration of such dividend, i.e 10.09.2008.
  - iii. Paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/ unpaid dividend has been transferred to Unpaid Dividend Account of the Company with the HDFC Bank Limited, Ernakulam, on 14.10. 2008.
  - 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 appointment of additional directors has been made.

15. The appointment of Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII of the Act.
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. But the Company has obtained the opinion of the Central Government under Section 309(1) of The Companies Act, 1956 for Mr. B.B.Medaiah, Director functioning as Advisor of the Company w.e.f. 01.06.2008 to 31.05.2009
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 complied with the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposits) Rules 1975 in respect of the deposits accepted by it prior to the date of AGM ie. 10.09.2008. However, it has not invited/ accepted any fresh deposits including any unsecured loans, falling within the purview of Section 58A after the date of the AGM.
24. The amount borrowed by the company from financial institutions and banks during the financial year ending 31<sup>st</sup> March, 2009 are within the borrowing limits of the Company and that necessary resolutions as per Sec. 293(1) (d) of the Act have been passed in duly convened Annual General Meeting.
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 registrar 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 or show cause notices received by the Company 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 pursuant to Section 418 of the Act.

Place : Cochin  
Date : 27.05.2009

**V. Suresh**  
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*

##### *Statutory Registers*

1. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975.
2. Register of Charges under Section 143 and copies of instrument creating charge under Section 136.
3. Register of Members under Section 150 and Index of Members under Section 151.
4. Minutes Book of meetings of the Board/ Shareholders.
5. Books of Accounts.
6. Register of particulars of Contracts in which Directors are interested under Section 301.
7. Register of Directors, Managing Director, Manager and Secretary under Section 303.
8. Register of Directors' Shareholdings under Section 307.
9. Register of Investments/ Loans made, Guarantee given or Security provided under Section 372A.
10. Register of Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960.

## 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 01.04.2008 to 31.03.2009.

1. Form 62 in respect of Return of Fixed Deposits for the year ended 31.03.2008 was filed on 23.06.2008.
2. Application to Central Government for appointment of Mr. B.B.Medaiah as advisor was filed on 30.08.2008.
3. Form 32 for appointment of Mr.V.C.Kuruville and Mr. K.C.Eapen as additional directors was filed on 09.09.2008.
4. Form 23 B in respect of Intimation by Auditor was filed on 01.10.2008.
5. Cost Audit Report for the year ended 31.03.2008 was filed on 17.10.2008
6. Compliance Certificate under Section 383A of the Companies Act, 1956 for the year 2007-08 was filed on 28.10.2008.
7. Balance Sheet (Form 23AC), Profit & Loss Account (Form 23 ACA), Directors' Report and Auditors' Report under Section 220 of the Companies Act, 1956 for the financial year ended 31.03.2008 was filed on 15.12.2008 and additional fee paid.
8. Annual Return (Schedule V) under Section 159 for the Annual General Meeting held on 10.09.2008 was filed on 15.12.2008 and additional fee paid.
9. Form 1 in respect of statement of amount credited to Investor Education & Protection Fund, the Unpaid/ unclaimed dividend amounting to Rs.94944/- pertaining to the year 2000-01 was filed on 20.03.2009.
10. Form 32 for Cessation of Mr.K.C.Eapen and Mr. B.B.Medaiah as Directors was filed on 25.03.2009.

**V. Suresh**

Place : Cochin

Date : 27.05.2009

Practising Company Secretary

C P No. 6032

# AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

We have audited the attached Balance Sheet of NEELAMALAI AGRO INDUSTRIES LIMITED, KATARY, as at 31<sup>st</sup> March 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto, together with the Notes thereon and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to the comments referred to above, we report that:

- (i) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) 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.

- (iii) The Balance Sheet and Profit and Loss Account read with the Notes forming part thereof, dealt with by this Report, are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account, dealt with by this Report, comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- (v) Based on the written representations made by the Directors and taken on record by the Board of Directors, we state that none of the Directors is disqualified from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
- (vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the Notes forming part thereof, give the information required by the Companies Act, 1956, 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<sup>st</sup> March 2009;
  - b) in the case of the Profit and Loss Account, of the **PROFIT** for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SURI & CO.

**S. Ganesan**

Partner

Membership No. 18525

Chartered Accountants

Chennai

27.05.2009

**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.
- c) No substantial part of fixed assets of the company has been disposed off during the year.
- 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 Act and hence the clauses (iii) (a), (b), (c) & (d) of the Order are not applicable.
- b) The Company has accepted Fixed Deposits of Rs.18,000/- from a Director in earlier years which has been repaid during the year. Other than the above, the company has not taken any loans, secured or unsecured, from/to companies, firms or other parties, covered in the register maintained under Section 301 of the Companies Act, 1956.
- c) The rate of interest and other terms and conditions of Fixed Deposits accepted by the Company are not prima facie prejudicial to the interest of the Company.
- d) In respect of Fixed Deposit accepted, the Company is regular in payment of principal and interest.
- iv) The Company has 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 or services.
- v) a) The particulars of contracts or arrangements referred to in Section 301 of the Act 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 58AA 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 Rules made 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 to it. No undisputed statutory dues which 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 has no accumulated losses. 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 bank or financial institutions.
- xvi) The Company has applied the term loans for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investment.

- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) The Company has not issued any debentures.
- xx) The Company has not raised any money by public issues during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Chennai  
27.05.2009

For **SURI & CO.**

**S. Ganesan**  
Partner  
Membership No. 18525  
Chartered Accountants

# BALANCE SHEET

As at 31st March 2009

	Schedules	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SOURCES OF FUNDS</b>			
<i>Shareholders' Funds</i>			
a) Share Capital	1	62,73,500	62,73,500
b) Reserves and Surplus	2	18,48,51,488	16,81,82,059
		<u>19,11,24,988</u>	<u>17,44,55,559</u>
<i>Loan Funds</i>			
a) Secured Loans	3	53,29,756	59,29,242
b) Unsecured Loans	4	14,33,000	21,90,000
		<u>67,62,756</u>	<u>81,19,242</u>
<b>DEFERRED TAX LIABILITY</b>			
TOTAL		Nil	90,000
		<u>19,78,87,744</u>	<u>18,26,64,801</u>
<b>APPLICATION OF FUNDS</b>			
<i>Fixed Assets</i>			
Gross Block	5	8,87,78,433	8,00,04,865
Less: Depreciation		5,70,27,285	5,37,76,801
Net Block		<u>3,17,51,148</u>	<u>2,62,28,064</u>
<i>Investments</i>	6	<u>16,46,09,028</u>	<u>14,20,91,605</u>
<i>Current Assets, Loans and Advances</i>			
a) Inventories	7	77,81,752	98,99,956
b) Sundry Debtors	8	79,73,979	1,80,32,056
c) Cash and Bank Balances	9	30,71,630	35,67,142
d) Others: Income Accrued		62,177	2,27,956
e) Loans and Advances	10	81,10,310	79,60,951
		<u>2,69,99,848</u>	<u>3,96,88,061</u>
<i>Current Liabilities and Provisions</i>			
a) Current Liabilities	11	1,06,28,500	1,04,73,999
b) Provisions	12	1,48,43,780	1,48,68,930
		<u>2,54,72,280</u>	<u>2,53,42,929</u>
Net Current Assets		15,27,568	1,43,45,132
TOTAL		<u>19,78,87,744</u>	<u>18,26,64,801</u>
Notes on Accounts	20		

Schedule 1 to 12 and 20 (Notes) and Cash Flow Statement form part of this Balance Sheet

Vide our report of date attached

For SURI & CO.  
**S. Ganesan**  
Partner

For and On behalf of the Board

Place : Chennai  
Date : 27.05.2009

Membership No. 18525  
Chartered Accountants

**Ajit Thomas**  
Chairman & Managing Director

**S. Rajasekar**  
Director

## **PROFIT AND LOSS ACCOUNT**

*For the Year Ended 31st March 2009*

	Schedules	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>INCOME</b>			
Income from Operations	13	13,71,91,073	11,33,54,811
Other Receipts	14	<u>2,59,50,341</u>	<u>1,90,44,789</u>
		<b>16,31,41,414</b>	<b>13,23,99,600</b>
<b>EXPENDITURE</b>			
Increase (-) / Decrease (+) in Stock	15	(+ 23,73,000	(-) 12,57,000
Consumption of Raw Materials		2,54,40,630	1,69,86,012
Purchases	16	4,32,682	3,98,582
Employees Cost	17	5,67,56,801	4,84,23,711
Other Expenditure	18	4,78,83,668	3,94,87,824
Interest	19	10,77,495	9,96,047
Depreciation		<u>35,58,028</u>	<u>31,58,553</u>
		<b>13,75,22,304</b>	<b>10,81,93,729</b>
<b>PROFIT FOR THE YEAR</b>			
		<b>2,56,19,110</b>	<b>2,42,05,871</b>
Provision for			
- Current Tax		15,00,000	15,00,000
- Deferred Tax		(90,000)	(2,75,000)
- Fringe Benefit Tax		<u>2,00,000</u>	<u>2,00,000</u>
		<b>2,40,09,110</b>	<b>2,27,80,871</b>
Surplus Brought forward		<u>43,14,759</u>	<u>38,73,569</u>
		<b>2,83,23,869</b>	<b>2,66,54,440</b>
Transfer to General Reserve		1,50,00,000	1,50,00,000
Proposed Dividend On Equity Shares at 100%		62,73,500	62,73,500
Provision for Tax on Dividend		10,66,181	10,66,181
Surplus carried forward		<u>59,84,188</u>	<u>43,14,759</u>
		<b>2,83,23,869</b>	<b>2,66,54,440</b>
Earnings per Share (Basic and Diluted)		38.27	36.31

Notes on Accounts 20

Schedule 13 to 19 and 20 (Notes) and Cash Flow Statement form part of this Profit and Loss Account.

Vide our report of date attached

For **SURI & CO.**

**S. Ganesan**

Partner

Place : Chennai  
Date : 27.05.2009

Membership No. 18525  
Chartered Accountants

For and On behalf of the Board

**Ajit Thomas**

Chairman & Managing Director

**S. Rajasekar**

Director

**SCHEDULES**  
*To the Balance Sheet*

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<i>Authorised</i>		
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	<u>35,00,000</u>	<u>35,00,000</u>
	<u>1,25,00,000</u>	<u>1,25,00,000</u>
<i>Issued, Subscribed and paid up</i>		
6,27,350 - Equity Shares of Rs.10/- each fully paid up	<u>62,73,500</u>	<u>62,73,500</u>
<i>Note :</i> Of the above 3,12,969 Equity shares of Rs. 10/- each are allotted as fully paid-up by way of Bonus Shares by Capitalisation of General Reserve.		
<b>SCHEDULE : 2</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	16,11,40,800	
Add: Transfer from Profit and Loss Account	<u>1,50,00,000</u>	16,11,40,800
<i>Surplus</i>		
Balance in Profit and Loss Account	<u>59,84,188</u>	43,14,759
	<u>18,48,51,488</u>	<u>16,81,82,059</u>

**SCHEDULES**  
*To the Balance Sheet*

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE : 3</b>		
<b>SECURED LOANS</b>		
From Banks		
Secured against hypothecation of Stock-in-Trade, Standing Crops, Book Debts, Vehicles and also equitable mortgage of Katary Estate with buildings thereon		
(a) Working Capital Facilities	47,35,881	36,31,277
(b) Term Loan	<u>5,93,875</u>	<u>22,97,965</u>
	<u>53,29,756</u>	<u>59,29,242</u>
<b>SCHEDULE : 4</b>		
<b>UNSECURED LOANS</b>		
Public Deposits	<u>* 14,33,000</u>	<u>21,90,000</u>
(* Includes Rs.2,09,000/- repayable within one year)		

## SCHEDULES

*To the Balance Sheet*

### SCHEDULE 5

#### FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 01.04.2008 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2009 Rs.	Up to 31.03.2008 Rs.	For the year Rs.	Withdrawn Rs.	Upto 31.3.2009 Rs.	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
Land and Development	52,54,315	Nil	Nil	52,54,315	Nil	Nil	Nil	Nil	52,54,315	52,54,315
Buildings	2,42,03,581	33,71,397	Nil	2,75,74,978	1,27,90,682	6,40,838	Nil	1,34,31,520	1,41,43,458	1,14,12,899
Plant and Machinery	4,04,66,605	48,34,515	Nil	4,53,01,120	3,25,60,116	23,90,092	Nil	3,49,50,208	1,03,50,912	79,06,489
Furniture and Fittings	36,88,994	Nil	Nil	36,88,994	33,72,516	57,280	Nil	34,29,796	2,59,198	3,16,478
Vehicles	63,91,370	9,97,656	4,30,000	69,59,026	50,53,487	4,69,818	3,07,544	52,15,761	17,43,265	13,37,883
	8,00,04,865	92,03,568	4,30,000	8,87,78,433	5,37,76,801	35,58,028	3,07,544	5,70,27,285	3,17,51,148	2,62,28,064
Previous year	7,84,14,113	16,28,524	37,772	8,00,04,865	5,06,54,237	31,58,553	35,989	5,37,76,801	2,62,28,064	2,77,59,876

**SCHEDULES**  
*To the Balance Sheet*

**SCHEDULE : 6**

**INVESTMENTS**

Description	As at 01.04.2008		Additions		Deductions		As at 31.03.2009	
	No. of	Amount	No. of	Amount	No. of	Amount	No. of	Amount
	Shares/Units	Rs.	Shares/Units	Rs.	Shares/Units	Rs.	Shares/Units	Rs.
<b>LONG TERM</b>								
<b>1. SHARES IN COMPANIES</b>								
<b>A. EQUITY SHARES</b>								
<b>(i) QUOTED :</b>								
L. J. International Ltd.	64	313					64	313
Matheson Bosanquet Enterprises Ltd.	880	5,290					880	5,290
The Devashola (Nilgiri) Tea Estates Company Ltd.	134	1,284					134	1,284
The Periakaramalai Tea & Produce Co. Ltd.	129	6,238					129	6,238
AVT Natural Products Ltd.	38,07,100	3,23,70,835					38,07,100	3,23,70,835
TATA Consultancy Service Ltd. (Face value Re. 1/- per Share)	1,216	5,16,800					1,216	5,16,800
		<u>3,29,00,760</u>						<u>3,29,00,760</u>
<b>(ii) UNQUOTED :</b>								
AVT McCormick Ingredients Private Ltd. (ii)	31,50,000	3,15,00,000					31,50,000	3,15,00,000
AVT Gavia Foods Private Ltd (ii)		Nil	5,00,000	50,00,000			5,00,000	50,00,000
Midland Corporate Advisory Services Pvt Ltd. (ii)		Nil	2,50,000	25,00,000			2,50,000	25,00,000
Pulsar Electronics Ltd. (In liquidation)	11,800	Nil					11,800	Nil
Tea Serve Ltd. (Face value Rs. 5,000/- per share)	1	5,000					1	5,000
		<u>3,15,05,000</u>		<u>75,00,000</u>				<u>3,90,05,000</u>
<b>In Wholly Owned Subsidiary Company :</b>								
Blue Mountain Development Corp. Canada (Face Value Canadian \$ 1/- per share) (Ceased to be Subsidiary with effect from 17.12.2008)	1,00,000	35,70,000			1,00,000	35,70,000		Nil
<b>B. REDEEMABLE PREFERENCE SHARES (UNQUOTED)</b>								
AVT Infotech Private Ltd. (ii)	20,00,000	2,00,00,000	1,00,000	1,00,00,000	20,00,000	2,00,00,000	1,00,000	1,00,00,000
<b>C. SUBSCRIBED PENDING ALLOTTMENT</b>								
AVT Gavia Foods Private Ltd.		50,00,000		25,00,000		50,00,000		25,00,000
<b>2. MUTUAL FUNDS :</b>								
Sundaram BNP Paribas Energy Opportunities Fund	2,50,000	25,00,000					2,50,000	25,00,000
<b>3. IN IMMOVABLE PROPERTIES</b>								
Land				1,17,44,890				1,17,44,890
Advance for Purchase of Land		66,40,000				66,40,000		
		<u>66,40,000</u>		<u>1,17,44,890</u>		<u>66,40,000</u>		<u>1,17,44,890</u>
Carried Forward		10,21,15,760		3,17,44,890		3,52,10,000		9,86,50,650

**SCHEDULES**  
*To the Balance Sheet*

**SCHEDULE : 6 (contd.)**

**INVESTMENTS (Contd.)**

Description	As at 01.04.2008		Additions		Deductions		As at 31.03.2009	
	No. of Shares/Units	Amount Rs.						
Brought Forward		10,21,15,760		3,17,44,890		3,52,10,000		9,86,50,650
<b>CURRENT</b>								
<b>1. SHARES IN COMPANIES</b>								
<b>A. EQUITY SHARES</b>								
<b>(i) QUOTED :</b>								
Bharati Teleservices Limited			600	4,59,546	600	4,59,546		Nil
HDFC Limited			250	5,46,783	250	5,46,783		Nil
Larsen & Toubro Ltd			200	5,22,134	200	5,22,134		Nil
Reliance Industries Ltd			200	4,31,001	200	4,31,001		Nil
Aban Lylod Chiles Offshore Limited			1,000	20,44,811			1,000	20,44,811
				40,04,275		19,59,464		20,44,811
Less : Diminution								16,45,161
				40,04,275		19,59,464		3,99,650
<b>2 MUTUAL FUNDS :</b>								
<b>- CURRENT</b>								
ICICI Mutual Fund								
- Prudential ICICI Balanced Fund - Divided	4,08,671	70,53,659			4,08,671	70,53,659		Nil
Franklin Templeton Mutual Fund								
- Short Term Income Retail Plan Weekly Dividend Reinvestment	28,512	3,09,59,715	34,398	3,71,41,379	62,910	6,81,01,094		Nil
- Treasury Management Account Regular plan Daily Dividend Reinvestment			404	6,11,829			404	6,11,829
DSP Merrill Lynch Mutual Fund								
- Small & Mid Cap-Regular Dividend	2,44,499	25,00,000			2,44,499	25,00,000		Nil
HDFC Cash Management Fund								
- Treasury Advance Plan - Daily Dividend			64,74,296	6,49,46,899			64,74,296	6,49,46,899
	(i)	4,05,13,374		10,27,00,107		7,76,54,753		6,55,58,728
Less: Diminution		5,37,529						Nil
		3,99,75,845		10,27,00,107		7,76,54,753		6,55,58,728
		14,20,91,605		13,84,49,272		11,48,24,217		16,46,09,028

Notes (i) Market value of Quoted Investments:-

(a) Shares in Companies Long Term : Rs. 20,14,98,617/- Current: Rs. 3,99,650/-

(b) Net Asset value of Mutual Funds Long Term : Rs. 11,51,650/- Current: Rs. 6,55,58,728/-

(ii) The right to transfer shares is restricted under Section 3 (iii) (a) of the Companies Act, 1956, being Private Limited Companies

(iii) Face value of Equity Shares is Rs. 10/- fully paid up, except for those shares where face value has been separately mentioned.

**SCHEDULES**  
*To the Balance Sheet*

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE : 7</b>		
<b>INVENTORIES</b>		
Stores and Spares	20,18,752	17,63,956
Stock in Trade	<u>57,63,000</u>	<u>81,36,000</u>
	<u>77,81,752</u>	<u>98,99,956</u>
<b>SCHEDULE : 8</b>		
<b>SUNDRY DEBTORS</b>		
Considered Good-Unsecured		
(a) Debts outstanding for a period exceeding six months	7,210	9,742
(b) Other Debts	<u>79,66,769</u>	<u>1,80,22,314</u>
	<u>79,73,979</u>	<u>1,80,32,056</u>
<b>SCHEDULE : 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash and stamps on hand	69,461	66,414
Bank Balances With Scheduled Banks		
In Current Account	6,10,493	5,73,076
In Dividend/Capital Refund Account	20,91,676	16,27,652
In Deposit Account	<u>3,00,000</u>	<u>13,00,000</u>
	<u>30,71,630</u>	<u>35,67,142</u>
<b>SCHEDULE : 10</b>		
<b>LOANS AND ADVANCES</b>		
Considered good - Unsecured		
Advances recoverable in cash or in kind or for value to be received	32,30,524	21,18,499
Prepaid taxes and refunds due	23,55,137	17,66,402
<i>Deposits</i>		
(a) With NABARD under Tea Development Scheme	18,04,090	33,89,090
(b) Other Deposits	<u>7,20,559</u>	<u>6,86,960</u>
	<u>81,10,310</u>	<u>79,60,951</u>

**SCHEDULES**  
*To the Balance Sheet*

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE : 11</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors:	84,11,149	87,43,879
Dues to Micro & Small Enterprises	Nil	Nil
Investor Education & Protection Fund *		
- Unpaid Dividend	18,65,566	14,01,542
- Unclaimed Matured Deposits	25,000	Nil
Unpaid Preference Capital Refund	2,26,110	2,26,110
Interest accrued but not due on loans	1,00,675	1,02,468
	<u>1,06,28,500</u>	<u>1,04,73,999</u>

\*Includes no amount due to be credited to  
Investor Education and Protection Fund

**SCHEDULE : 12**

**PROVISIONS**

For Taxation	45,23,474	46,64,251
For Fringe Benefit Tax	2,33,647	2,70,737
For Provision for Gratuity	23,55,094	23,55,094
For Leave Encashment	3,91,884	2,39,167
For Proposed Dividend on Equity Shares	62,73,500	62,73,500
For Tax on Dividend	10,66,181	10,66,181
	<u>1,48,43,780</u>	<u>1,48,68,930</u>

**SCHEDULES**  
*To the Profit and Loss Account*

	Year ended		Year ended	
	Qty Kgs.	31.03.2009 Rs.	Qty Kgs.	31.03.2008 Rs.
<b>SCHEDULE : 13</b>				
<b>INCOME FROM OPERATIONS</b>				
Sales - Tea	18,57,261	13,40,35,634	17,30,995	11,31,20,418
Exchange Fluctuation		(20,63,680)		51,031
Tea Board subsidy		57,66,787		7,11,235
		<u>13,77,38,741</u>		<u>11,38,82,684</u>
Less : Excise Duty and Cess		5,47,668		5,27,873
		<u>13,71,91,073</u>		<u>11,33,54,811</u>
<b>SCHEDULE : 14</b>				
<b>OTHER RECEIPTS</b>				
Income from Investments				
- Long Term		1,93,96,172		1,17,40,023
- Current		22,25,108		22,38,361
Interest Received		11,18,117		2,94,121
(Tax deducted at Source Rs.1,35,956/-)				
Profit / (Loss) on Sale of Investments				
- Long Term		2,01,503		30,62,500
- Current		(12,942)		(11,454)
Profit / (Loss) on Sale of Assets		(17,984)		621
Sale of Import Entitlements		28,93,100		8,45,157
Miscellaneous Receipts		1,47,267		8,75,460
		<u>2,59,50,341</u>		<u>1,90,44,789</u>
<b>SCHEDULE : 15</b>				
<b>INCREASE(-)/DECREASE(+) IN STOCK</b>				
<b>Tea</b>				
Opening Stock	1,38,974	81,36,000	1,31,742	68,79,000
Closing Stock	86,821	57,63,000	1,38,974	81,36,000
		<u>(+) 23,73,000</u>		<u>(-) 12,57,000</u>
<b>SCHEDULE : 16</b>				
<b>PURCHASES</b>				
Tea	5,230	<u>4,32,682</u>	6,184	<u>3,98,582</u>
<b>SCHEDULE : 17</b>				
<b>EMPLOYEES COST</b>				
Salaries, Wages and Bonus		4,64,24,926		4,11,14,933
Contribution to Provident and Other Funds		80,13,038		38,30,914
Provision for Gratuity and Leave Encashment		1,52,717		18,94,956
Welfare Expenses		21,66,120		15,82,908
		<u>5,67,56,801</u>		<u>4,84,23,711</u>

**SCHEDULES**  
*To the Profit and Loss Account*

	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>SCHEDULE : 18</b>		
<b>OTHER EXPENDITURE</b>		
Consumption of Stores and Spares	1,09,49,714	95,42,999
Power and Fuel	1,22,16,985	94,17,431
Rates and Taxes	2,88,785	4,82,740
Transport and Warehousing	57,80,689	46,35,143
Brokerage and Commission	30,36,451	22,99,598
Repairs to and Maintenance of :-		
Roads and Buildings	23,69,454	18,40,969
Machinery	8,63,659	8,80,804
Vehicles	23,16,173	20,89,859
Others	4,30,278	2,36,196
Printing and Stationary	3,19,949	3,14,638
Postage and Telephones	4,76,716	5,02,771
Legal Expenses	95,564	59,455
Directors' Sitting Fees	78,000	66,000
Auditors' Remuneration:-		
For Audit	2,50,000	2,50,000
For Certification / Tax Audit	1,35,000	1,05,000
For Tax Representation	1,50,000	1,30,000
For Travelling and other Expenses	1,16,500	1,07,500
For Service Tax	75,046	73,232
Insurance	6,13,592	5,32,133
Advertisement	5,94,304	7,96,654
Bank Charges	3,10,741	3,38,868
Travelling Expenses	21,85,151	17,86,287
Provision for Diminution in Value of Investments	11,07,632	4,66,869
Miscellaneous Expenses	31,23,285	25,32,678
	<u>4,78,83,668</u>	<u>3,94,87,824</u>
<b>SCHEDULE : 19</b>		
<b>INTEREST</b>		
Fixed Loans	3,95,914	6,37,889
Others	6,81,581	3,58,158
	<u>10,77,495</u>	<u>9,96,047</u>

**S C H E D U L E S**  
*Notes on Accounts for the year ended 31st March 2009*

**SCHEDULE : 20**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**I. ACCOUNTING CONVENTION**

The financial statements have been prepared on the historical cost convention in accordance with the normally accepted accounting principles and comply in all material aspects with the notified accounting standards by Companies Accounting Standards Rules, 2006 and relevant provision of the Companies Act, 1956.

**II. FIXED ASSETS AND DEPRECIATION**

Fixed Assets are stated at historical cost less depreciation. Assets acquired on hire purchase are capitalised at principal value. Depreciation is provided at the rates specified in Schedule XIV to the Companies Act, 1956 on written down value method. On additions to or deductions from Fixed Assets, depreciation is provided on pro-rata basis.

**III. 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".

**IV. EXPENDITURE ON REPLANTING**

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

**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.

**VI. INVENTORIES**

Inventories are valued at lower of cost and net realisable value, after providing for obsolescence wherever necessary.

**VII. REVENUE RECOGNITION**

Revenue is recognised and expenditure is accounted for on their accrual. Insurance claims and Export Incentives are accounted when settled/received.

**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 made at the end of each financial year. Actuarial gains and losses are recognised in the Profit and Loss account and are not deferred.

Retirement Benefits in the form of Provident Fund, Family Pension Fund and Superannuation schemes, which are defined contribution scheme, are charged to the Profit and Loss account for the year when contribution to the respective funds accrue.

**IX. FOREIGN CURRENCY TRANSACTIONS**

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

## SCHEDULES

*Notes on Accounts - contd.*

### SCHEDULE : 20 (contd.)

#### B. OTHERS

#### 1. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

##### I) Registration details

Balance-sheet Date

Registration No: U01117TZ1943PLC000117	State Code: 181	Date : 31	Month : 03	Year : 2009
--	-----------------	-----------	------------	-------------

##### II) Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private placement	Nil

##### III) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total liabilities	1,97,888	Total assets	1,97,888
-------------------	----------	--------------	----------

##### SOURCES OF FUNDS

Paid-up capital	6,274	Reserves and surplus	1,84,851
Secured loans	5,330	Unsecured loans	1,433
		Deferred Tax Liability	Nil

##### APPLICATION OF FUNDS

Net fixed assets	31,751	Investments	1,64,609
Net current assets	1,528	Miscellaneous	
Accumulated losses	Nil	Expenditure	Nil

##### IV) Performance of company (Amount in Rs. Thousands)

Turnover	1,63,141	Total Expenditure	1,37,522
Profit(+)/Loss(-)		Profit(+)/Loss(-)	
Before Tax	25,619	After Tax	24,009
Earnings per Share (Rs.)	38.27	Dividend Rate:	100%

##### V) Generic Names of Three Principal Products/services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
0902	Tea

**SCHEDULES**  
*Notes on Accounts - contd.*

	Year ended 31.03.2009	Year ended 31.03.2008		
<b>SCHEDULE : 20 (contd.)</b>				
<b>B. OTHERS (Contd.)</b>				
<b>2. CAPACITY AND PRODUCTION (IN KGS)</b>				
Description of Produce	Licensed Capacity	Installed Capacity	Actual Production Kgs	Kgs
Tea	Not Applicable	23,00,000	Own leaf 4,64,393	13,35,485 13,55,592
			Bought leaf	3,76,451
<b>3. PARTICULARS OF GREEN LEAF (IN KGS)</b>				
Opening and Closing Stock			Nil	Nil
Produced and Processed			51,73,655	55,09,490
Purchased and Processed			18,48,225	15,46,910
<b>4. PARTICULARS OF CONSUMPTION</b>				
	Value in Rs.	%	Value in Rs.	%
(a) Raw Materials - Bought Leaf				
Indigenous	2,54,40,630	100%	1,69,86,012	100%
(b) Stores and Spares:				
Indigenous	1,07,85,541	98.50%	93,78,826	98.28%
Imported	1,64,173	1.50%	1,64,173	1.72%
	<u>1,09,49,714</u>	<u>100.00%</u>	<u>95,42,999</u>	<u>100.00%</u>
<b>5. EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY</b>				
a) Earnings :				
FOB Value of Exports			4,27,70,783	1,25,31,386
b) CIF Value of Imports :				
Capital Goods			38,15,050	Nil
Stores and Spares			9,04,842	3,19,142
c) Expenditure :				
Testing Fee			2,80,001	1,19,277
Travelling Expenses			2,99,787	Nil

## S C H E D U L E S

*Notes on Account - contd.*

	<b>Year ended 31.03.2009</b>	<b>Year ended 31.03.2008</b>
<b>SCHEDULE : 20 (contd.)</b>		
<b>B. OTHERS (Contd.)</b>		
<b>6. REMUNERATION PAID TO MANAGING DIRECTOR</b>		
<b>Mr. Ajit Thomas</b>		
(a) Salary	6,60,000	3,00,000
(b) Contribution to Provident and Other funds	3,28,700	93,500
(c) Sitting fees	12,000	12,000
	10,00,700	4,05,500
Notes		
i) Remuneration to Managing Director is paid in accordance with Section II of Part II of Schedule XIII to the Companies Act, 1956.		
ii) Mr. Ajit Thomas, Managing Director, has also been paid a remuneration of Rs. 10,20,000 (Previous Year Rs. 6,60,000), besides Contribution to Provident and other Funds Rs. 3,17,900 (Previous Year Rs. 3,07,450) allowances and perquisites Rs. 1,08,304 (Previous Year Rs. 1,06,857) and sitting Fees Rs. 12,000 (Previous Year Rs. 12,000) by The Midland Rubber & Produce Co.Ltd., in which he is the Managing Director.		
<b>7. DUE TO MICRO AND SMALL ENTERPRISES</b>		
Based on the information available with the Company, the principal amount due to Micro and Small Enterprises as on 31.03.2009 is Nil There are no overdue principal amounts and therefore no interest is paid or payable.		
<b>8. EARNINGS PER SHARE</b>		
Profit after Taxation	2,40,09,110	2,27,80,871
Number of Equity Shares outstanding at the end of the year	6,27,350	6,27,350
Earning per share (Basic and Diluted)	38.27	36.31
<b>9. CONTINGENT LIABILITY</b>		
Claims against the company not acknowledged as debts	5,28,000	5,28,000
<b>10. SEGMENT REPORTING</b>		
The operations of the Company relate to Plantation Crops, which is the significant business segment and therefore no separate reporting is made.		
<b>11. TAXES ON INCOME</b>		
The impact of deferred tax on income for the year is considered not material and hence not recognised.		

# SCHEDULES

## Notes on Accounts - Contd.

	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>SCHEDULE : 20 (Contd.)</b>		
<b>B. OTHERS (Contd.)</b>		
<b>12. EMPLOYEE BENEFITS</b>		
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.		
b) Reconciliation of changes in the Present Value of Obligations :		
	As on 31.03.2009	As on 31.03.2008
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
Present Value of the Obligation as on 01.04.2008	1,65,85,554	2,39,167
Current Service Cost	14,06,592	33,930
Interest Cost	12,49,925	19,133
Benefits Paid	(19,22,992)	--
Actuarial loss / (gain)	29,26,053	99,654
Present Value of the Obligation as on 31.03.2009	<u>2,02,45,132</u>	<u>3,91,884</u>
	1,44,19,538	2,27,413
	9,05,405	20,228
	11,11,675	17,951
	(17,25,055)	(17,000)
	18,74,351	(9,425)
	<u>1,65,85,914</u>	<u>2,39,167</u>
c) Reconciliation of changes in the fair value of Plan Assets		
Fair Value as on 01.04.2008	1,42,30,460	Nil
Expected return on plan assets	14,35,200	Nil
Contribution by the Company	44,92,735	Nil
Benefits Paid	(19,22,992)	Nil
Actuarial gain / (Loss)	(2,78,865)	Nil
Fair Value as on 31.03.2009	<u>1,79,56,538</u>	<u>Nil</u>
	1,40,21,233	Nil
	12,51,074	Nil
	7,32,829	Nil
	(17,25,055)	Nil
	(49,621)	Nil
	<u>1,42,30,460</u>	<u>Nil</u>

# S C H E D U L E S

*Notes on Accounts - Contd.*

	Year ended 31.03.2009		Year ended 31.03.2008	
	Rs.		Rs.	
<b>SCHEDULE : 20 (Contd.)</b>				
<b>B. OTHERS (Contd.)</b>				
<b>12. EMPLOYEE BENEFITS (Contd.)</b>	As on 31.03.2009		As on 31.03.2008	
	Gratuity	Leave	Gratuity	Leave
	(Funded Plan)	Encashment (Non Funded Plan)	(Funded Plan)	Encashment (Non Funded Plan)
d) The total expense recognised in the profit and loss account is as follows				
Current Service Cost	14,06,592	33,930	9,05,045	20,228
Interest Cost	12,49,925	19,133	11,11,675	17,951
Expected return on plan assets	(14,35,200)	NA	(12,51,074)	NA
Net Actuarial (gain) / loss recognised in the year	32,04,918	99,654	19,23,972	(9,425)
	<u>44,26,235</u>	<u>1,52,717</u>	<u>26,89,618</u>	<u>28,754</u>
e) Reconciliation of Net Liability recognised in the Balance Sheet				
Net Liability as at 01.04.2008	23,55,094	2,39,167	3,98,305	2,27,413
Add : Expense as (d) above	44,26,235	1,52,717	26,89,618	28,754
Less : Employers Contribution / Payment	44,92,735	Nil	7,32,829	17,000
Net Liability as at 31.03.2009	<u>22,88,594</u>	<u>3,91,884</u>	<u>23,55,094</u>	<u>2,39,167</u>
f) Constitution of Plan Assets				
Investments in LIC Group Gratuity Scheme	1,79,56,538	N.A.	1,42,30,460	N.A.
g) Principal actuarial assumptions used as at the Balance Sheet Date				
Discount Rate	8 %	8 %	8 %	8 %
Salary Escalation Rate	5 %	5 %	5 %	5 %
Attrition Rate	5 %	5 %	5 %	5 %
Expected rate of return on plan assets	9.25 %	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.

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. 34,23,803/- as expense towards contributions to these plans.

# SCHEDULES

*Notes on Accounts - contd.*

## SCHEDULE : 20 (contd.)

### B. OTHERS (Contd.)

#### 13. RELATED PARTY TRANSACTIONS

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

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>- A. V. Thomas &amp; Company Ltd.</li> <li>- A. V. Thomas International Ltd.</li> <li>- L. J. International Ltd.</li> <li>- A. V. Thomas Investments Company Ltd.</li> <li>- The Midland Rubber &amp; Produce Co. Ltd.</li> <li>- The Nelliampathy Tea &amp; Produce Co. Ltd.</li> <li>- AVT Natural Products Ltd.</li> <li>- Ajit Thomas Holdings Private Limited</li> <li>- Blue Mountain Developments Corp.</li> <li>- IQ Tech Private Ltd.</li> <li>- AVT McCormick Ingredients Private Ltd.</li> <li>- Tekessence Software Solution Private Ltd.</li> <li>- Tek Health Services Inc.</li> </ul> | <ul style="list-style-type: none"> <li>- Teleflex Medical Private Ltd.</li> <li>- A. V. Thomas Leather and Allied Products Pvt. Ltd.</li> <li>- A. V. Thomas Exports Ltd.</li> <li>- AVT Infotech Private Ltd.</li> <li>- Midland Latex Products Ltd.</li> <li>- Semmatech Private Ltd.</li> <li>- Midland Corporate Advisory Services (Pvt.) Ltd. (Formerly ST Holdings Private Ltd.)</li> <li>- AVT Natural Pte Ltd.</li> <li>- Heilongjiang AVT Bio-Products Ltd.</li> <li>- Midland Charitable Trust</li> <li>- AVT Gavia Foods Private Ltd.</li> </ul> |
|---|---|

Key Management Personnel:

Mr. Ajit Thomas, Chairman and Managing Director

Details of Transaction	Year ended 31.3.2009		Year ended 31.3.2008	
	Associates	Key Management Personnel (including relatives)	Associates	Key Management Personnel (including relatives)
<b>INCOME</b>				
Sales	88,65,364		28,43,711	
Dividend Received	1,93,72,384		1,17,24,086	
<b>EXPENDITURE</b>				
Purchases & C&F Charges	6,44,742		Nil	
Sitting Fees		12,000		3,000
Dividend paid		41,32,030		41,32,030
Professional Fees	2,00,000		Nil	
Remuneration paid to Managing Director (Refer Note : 6)		10,00,700		4,05,500
Donations Paid	8,00,000		7,00,000	
<b>OTHERS</b>				
Purchase of Fixed Assets	Nil		1,75,760	
Investments made	1,50,00,000		50,00,000	
Sale of investments	2,38,83,439		3,61,66,500	
<b>BALANCE AS ON 31.3.2009</b>				
Debit Balances	7,61,849		1,44,375	
Credit Balances	Nil		Nil	

14. Previous Year's figures have been re-grouped wherever necessary

Vide our report of date attached

For **SURI & CO.**  
**S. Ganesan**

Partner

Place : Chennai  
Date : 27.05.2009

Membership No. 18525  
Chartered Accountants

For and On behalf of the Board

**Ajit Thomas**  
Chairman & Managing Director

**S. Rajasekar**  
Director

## CASH FLOW STATEMENT

*For the year ended 31st March 2009*

	Year ended 31.03.2009 Rs	Year ended 31.03.2008 Rs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	2,56,19,110	2,42,05,871
Adjustments for:		
Depreciation	35,58,028	31,58,553
Profit / Loss on sale of Investments	(1,88,561)	(30,51,046)
Profit/Loss on sale of Assets	17,984	(621)
Interest/Dividend Received	(2,27,39,397)	(1,42,72,505)
Interest Paid	10,77,495	9,96,047
Provision for Gratuity and Leave encashment	1,52,717	18,94,956
Provision for Diminution in Value of Investments	<u>11,07,632</u>	4,66,869
	<b>(1,70,14,102)</b>	
Operating Profit before working capital changes	<u>86,05,008</u>	<u>1,33,98,124</u>
Adjustments for:		
Trade and other Receivables	1,00,58,077	(1,17,11,876)
Inventories	21,18,204	(11,09,841)
Trade Payables	1,56,294	25,49,063
Other Current Assets	<u>4,39,376</u>	(8,45,001)
	<u>1,27,71,951</u>	
Cash generated from operations	<u>2,13,76,959</u>	<u>22,80,469</u>
Direct Taxes Paid	<u>(24,66,602)</u>	<u>(15,81,909)</u>
Cash flow before extraordinary items	<u>1,89,10,357</u>	<u>6,98,560</u>
Extraordinary Items	<u>Nil</u>	<u>Nil</u>
Net Cash From Operating Activities	<u>1,89,10,357</u>	<u>6,98,560</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(92,03,568)	(16,28,524)
Sale of Fixed Assets	1,04,472	2,404
Purchase of Investments	(13,84,49,272)	(6,36,61,019)
Sale of Investments	11,50,12,778	6,63,16,500
Interest Received	12,83,896	1,21,105
Dividend Received	<u>2,16,21,280</u>	<u>1,39,78,384</u>
Net Cash from (used in) Investing Activities	<u>(96,30,414)</u>	<u>1,51,28,850</u>

## CASH FLOW STATEMENT

*For the year ended 31st March 2009 - Contd.*

	Year ended 31.03.2009 Rs	Year ended 31.03.2008 Rs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Public Deposits	(7,57,000)	(71,24,000)
Proceeds from long term borrowings	(17,04,090)	(9,21,987)
Cash Credit	11,04,604	13,62,923
Interest Paid	(10,79,288)	(14,34,474)
Dividend Paid including Dividend Tax	(73,39,681)	(73,39,681)
Net Cash used in Financing Activities	<u>(97,75,455)</u>	<u>(1,54,57,219)</u>
	<u>(4,95,512)</u>	<u>3,70,191</u>
Net Increase/(Decrease) in cash and cash equivalents		
Cash and cash equivalents as at 01.04.2008 (Opening Balance)	35,67,142	31,96,951
Cash and cash equivalents as at 31.03.2009 (Closing Balance)	<u>30,71,630</u>	<u>35,67,142</u>
	<u>(4,95,512)</u>	<u>3,70,191</u>

Vide our report of date attached

For **SURI & CO.**

**S. Ganesan**

Partner

Place: Chennai  
Date: 27.05.2009

Membership No. 18525  
Chartered Accountants

For and On behalf of the Board

**Ajit Thomas**  
Chairman & Managing Director

**S. Rajasekar**  
Director

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

*For the last ten years*

Season	Net Profit before taxation	Provision for		Allocation to Reserve Funds	Dividend on Equity shares.	
	Rs.	Depreciation Rs.	Taxation Rs.	Rs.	Rs.	%
1999/2000	1,03,95,178	39,96,301	23,00,000	90,00,000	12,54,700	20
2000/2001	37,28,856	36,39,015	Nil	25,00,000	12,54,700	20
2001/2002	2,89,67,994	31,50,972	20,00,000	2,00,00,000	31,36,750	50
2002/2003	6,00,275	29,33,514	1,50,000	Nil	6,27,350	10
2003/2004	6,13,617	40,43,749	4,00,000	Nil	6,27,350	10
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*

\* Recommended

**AREA PARTICULARS**

Area as on 01-04-2009

	KATARY Hectares	SUTTON Hectares	TOTAL Hectares
<b>TEA:</b>			
In bearing	243.47	296.52	539.99
Immature	11.90	17.53	29.43
Buildings, Roads, etc.	26.39	39.75	66.14
<b>TOTAL</b>	<b>281.76</b>	<b>353.80</b>	<b>635.56</b>

**NEELAMALAI AGRO INDUSTRIES LTD.**

Regd. Office : Katary Estate, Katary Post - 643 213, Coonoor, The Nilgiris.

**PROXY FORM  
ANNUAL GENERAL MEETING**

I/We.....  
of.....in the district of.....  
being a member / members of the above named Company hereby appoint.....  
of.....in the district of.....  
or failing him.....  
and vote for me/us on my/our behalf at the Sixty Sixth Annual General Meeting of the Company to be held on Monday, 17th August, 2009 and at any adjournment thereof.

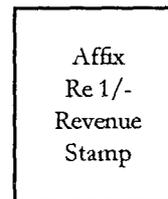
Signed this..... day of ..... 2009

Signature .....

Full Name of the Share holder  
(in block letters)

Folio No. ....

Address .....



Note : The proxy form duly signed across the revenue stamp of Re 1/- should reach the Company's Registered Office at least 48 hours before the time of the meeting.

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**NEELAMALAI AGRO INDUSTRIES LTD.**

**ATTENDANCE SLIP**

I hereby record my presence at the SIXTY SIXTH ANNUAL GENERAL MEETING of the Company at 11.30 a.m. at Katary Estate, Katary Post - 643 213, Coonoor, The Nilgiris on Monday, 17th August, 2009.

.....  
Full name of the Shareholder ..... Signature

Folio No.: .....  
.....

Full name of Proxy ..... Signature  
(in block letters)

Note: Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.