



## NEELAMALAI AGRO INDUSTRIES LIMITED

Registered Office: No.60, Rukmani Lakshmi pathi Salai, Egmore, Chennai, Tamil Nadu - 600 008

Tel : +91 44 2852 7775 / 2858 3463

CIN: L01117TN1943PLC152874

E-Mail : secneelamalai@avtplantations.co.in

Website : www.neelamalaiagro.com

Date: 03<sup>rd</sup> August, 2022

The Secretary  
BSE Limited  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai – 400 001  
Phones: 022-22721233/4, 022-66545695

Dear Sir/Madam,

**Sub:** Submission of Annual Report for the Financial Year 2021-22

**Ref:** Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015)

The 79<sup>th</sup> Annual Report of Neelamalai Agro Industries Ltd. for the financial year ended 31.03.2022 is attached. The Company has forwarded notices/annual report for the financial year 2021-2022 to the Shareholders by email on August 03, 2022.

The same has been hosted on our website of the company, i.e. [www.neelamalaiagro.com](http://www.neelamalaiagro.com).

This may please be taken on record.

Thanking you

Yours faithfully,

For NEELAMALAI AGRO INDUSTRIES LIMITED

S. LAKSHMI NARASIMHAN  
Company Secretary & Compliance Officer

Encl.: As above



# **NEELAMALAI AGRO INDUSTRIES LIMITED**

**79th Annual Report  
2021 - 2022**

**SEVENTY NINTH ANNUAL GENERAL MEETING**

Day : Friday

Date : 26th August, 2022

Time : 11.00 a.m.

Venue : Through Video Conferencing  
("VC")/ Other Audio-Visual  
Means ("OAVM")

# NEELAMALAI AGRO INDUSTRIES LIMITED

## BOARD OF DIRECTORS

Mr. Ajit Thomas, *Chairman*  
Mrs. Shanthi Thomas, *Executive Director*  
Mr. A.D. Bopana (*upto 31.03.2022*)  
Mr. F. S. Mohan Eddy  
Mr. S. Ganesan  
Mrs. Kavitha Vijay  
Mr. M. Meyyappan (*w.e.f. 01.04.2022*)

## AUDIT COMMITTEE

Mr. A.D. Bopana, *Chairman (upto 31.03.2022)*  
Mr. Ajit Thomas  
Mr. F. S. Mohan Eddy  
*Member (upto 31.03.2022) & Chairman (w.e.f. 01.04.2022)*  
Mrs. Kavitha Vijay  
Mr. M. Meyyappan (*w.e.f. 18.05.2022*)

## KEY MANAGERIAL PERSONNEL

Mrs. Shanthi Thomas, *Executive Director*  
Mr. Deepak G Prabhu, *Chief Financial Officer*  
Mr. S. Lakshmi Narasimhan, *Company Secretary*

## AUDITORS

M/s PKF Sridhar & Santhanam LLP  
Chartered Accountants  
KRD Gee Gee Crystal, 7th Floor  
91-92, Dr. Radhakrishnan Salai  
Mylapore, Chennai - 600004.

## BANKERS

Union Bank of India

## ESTATES

Katary Estate  
Katary Post  
Coonoor, The Nilgiris - 643 213  
Tel : 0423 - 2284235  
Sutton Estate  
Kullakamby Post  
The Nilgiris - 643218

## REGISTERED OFFICE

Katary Estate  
Katary Post  
Coonoor, The Nilgiris - 643 213  
Tel : 0423 - 2284235  
Fax : 0423 - 2284080  
E mail : secneelamalai@avtplantations.co.in  
Website : www.neelamalaiagro.com  
CIN : L01117TZ1943PLC000117

**Note: The Registered office of the Company has since been shifted to the following address with effect from 07.06.2022.**

NEELAMALAI AGRO INDUSTRIES LIMITED  
No.60, Rukmani Lakshmipathi Salai, Egmore,  
Chennai, Tamil Nadu – 600008  
Tel: +91 44 2852 7775 / 2858 3463  
E-mail- secneelamalai@avtplantations.co.in  
Website : www.neelamalaiagro.com  
CIN: L01117TN1943PLC152874

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## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the SEVENTY NINTH ANNUAL GENERAL MEETING of the Company will be held on Friday, the 26<sup>th</sup> August, 2022, at 11.00 A.M. through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2022 and the Reports of Directors and Auditors thereon.
2. To declare Final Dividend on Equity Shares.
3. To appoint a Director in place of Mr.S.Ganesan (DIN: 08588380), who retires by rotation and is eligible for re-appointment.
4. **To re-appoint M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai (Regn. No. 003990S/S200018) as Statutory Auditors for the second term of five years and to fix their remuneration**

**To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION**

**RESOLVED THAT** pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to the recommendations of the Audit Committee, the consent of the Members be and is hereby accorded for the re-appointment of M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, KRD GEE GEE Crystal, 7th Floor, 91-92, Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004 (Firm’s Registration No. 003990S/S200018) as Statutory Auditors of the Company, for the second term of Five year(s) commencing from the conclusion of the ensuing 79th Annual General Meeting till the conclusion of 84th Annual General Meeting, and that the Board of Directors be and is hereby authorised to fix the remuneration payable to the Auditors as may be determined by the Audit Committee in consultation with the Auditors.

**On Behalf of the Board**

Ajit Thomas

Chairman

DIN : 00018691

Chennai  
30.05.2022

Registered Office :

Katary Estate, Katary Post  
Coonoor, The Nilgiris, Tamilnadu - 643 213  
CIN: L01117TZ1943PLC000117  
Tel: 0423 - 2284235, Fax : 0423 - 2284080  
E-mail- secneelamalai@avtplantations.co.in  
Website : www.neelamalaiaagro.com

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020, and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” Circular no. 02/2021 dated January 13, 2021 and May, 05, 2022 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. The Explanatory Statement pursuant to Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which sets out the details relating to Ordinary Business - Item No. 4 at the meeting, is annexed hereto.
4. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment at this AGM is annexed.

5. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
6. 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 to E-mail:- secneelamalai@avtplantations.co.in.
7. The Register of Members and Share Transfer Books of the Company will remain closed from August 20, 2022 to August 26, 2022 (both days inclusive) for the purpose of Annual General Meeting.
8. The Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off date August 19, 2022.
9. On account of the threat posed by COVID-19 and in terms of the guidelines provided vide the MCA Circulars, the Company is sending this Notice in electronic form only. Accordingly, the communication of the assent or dissent of the Members would take place through the process of remote e-voting only.
10. This AGM Notice is being sent to all the Members, whose names appear in the Register of Members/ Statements of Beneficial Ownership maintained by the Depositories as on the close of business hours on July 29, 2022.
11. 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 and NSDL. Shareholders intending to hold their shares in electronic form may approach their depository participants for dematerialization of shares. Shareholders may send their shares for effecting transmission/ transposition to M/s Cameo Corporate Services Limited.
12. The Final dividend as recommended by the Board, if approved at this meeting, will be paid within 30 days from the date of AGM, to those members whose names appear in the Register of Members on that date.
13. 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 dematerialized shares.
14. Members are requested to lodge their e-mail ID's along with their Name and Folio No. to Company's Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002, Email: - investor@cameoindia.com to enable the Company to send all future communications including Annual Reports through electronic mode.
15. The Finance Act, 2020 had made the dividend declared from 01st April 2020, taxable in the hands of shareholders, where the dividend exceeds Rs.5000/- in a financial year. This has created a requirement for the investors to submit Form 15G/15H in case if they would like to be exempted from deduction of tax from their dividend. Form 15 G/ 15 H can be downloaded from the web link <https://investors.cameoindia.com> to avail the benefit and email to [investors.cameoindia.com](mailto:investors.cameoindia.com), immediately. There is also a provision to upload Form 15G/15H in the web link viz. <https://investors.cameoindia.com> provided by the Company's Registrar and Share Transfer Agent M/s Cameo Corporate Services Limited.
16. Members are requested to notify the Company's Registrar and Share Transfer Agent immediately of their bank account number and name of the bank and branch in the case of physical holdings, and to their respective Depository Participants in case of dematerialized shares, so that the payment of dividend when made through National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT), Direct Credit, Dividend Warrants etc., can be made without delay.
17. Shareholders who have multiple folios in identical names or in joint names in the same order, are requested to intimate to the Company those folios, to enable the Company to consolidate all such shareholdings into one folio.
18. 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 Registrar and Share Transfer Agent.
19. The equity shares of the company would continue to be listed on BSE Ltd., Corporate Relationship Dept., 1<sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001. The Annual listing fee, as prescribed, has been paid to the BSE Ltd up to March 31, 2023.
20. Pursuant to provisions of Section 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed Dividend for the financial year 2013-2014 and Interim Dividend for the financial year 2014-2015 to the Investor Education & Protection Fund (IEPF)

constituted by the Central Government. Final Dividend declared for the financial year 2014-2015 and First Interim Dividend for the financial year 2015-2016 remaining unpaid/unclaimed over a period of 7 years is liable 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.

21. Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 (“Rules”) notified by the Ministry of Corporate Affairs on 28th February, 2017, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years to the IEPF. The shareholders are requested to claim the unpaid dividend amount(s) immediately, failing which their shares shall be transferred to the demat account of the IEPF Authority as per Section 124 of the Act, read with applicable IEPF rules
22. Members are requested to note that trading of Company’s shares through Stock Exchange is permitted only in dematerialized form. Further, the Securities and Exchange Board of India (SEBI) mandated that all the transfers of the shares in the physical form shall not be allowed after 31st March 2019. Accordingly, members who have not yet converted their holdings into electronic dematerialized form may do so immediately for their own interest.
23. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
24. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent or to the Company.
25. Pursuant to Regulation 40 of the SEBI (Listing) Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 25th January 2022, any request for effecting transfer, transmission or transposition of shares will be processed/effectuated only in demat form. Therefore, the Company advises you to take steps for dematerializing your shareholding in the Company.

26. Members may also note that the Notice of the 79<sup>th</sup> Annual General Meeting and the Annual Report for 2021-2022 will also be available on the Company’s website: [www.neelamalaagro.com](http://www.neelamalaagro.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. For any communication, the shareholders may also send requests to the Company’s Registrar and share transfer agent email ID: [investor@cameoindia.com](mailto:investor@cameoindia.com)

27. In terms of Section 101 of the Companies Act 2013 read with rule 18 of the Companies (Management and Administration) Rules, 2014 and section 136 of the Companies Act 2013 read with rule 11 of Companies (Accounts) Rules, 2014, electronic copy of the notice of 79<sup>th</sup> Annual General Meeting of the Company inter alia, indicating the process and manner of e-voting is being sent to all the members whose e-mail id’s are registered with the Company / depository participant(s) for communication purpose.

28. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

29. Members whose names appear on the Register of Members / List of Beneficial Owners as on Cut-off date i.e. August 19, 2022, (Friday) will be considered for the purpose of availing Remote e-voting or Vote in the Annual General Meeting. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.

30. Voting facilities

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote at the 79<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The facility for voting either through electronic voting system shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

**31. CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

- i. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- ii. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- iii. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iv. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- v. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available

for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

- vi. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.neelamalaiagro.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com.
  - vii. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 MCA Circular No. 20/2020 dated May 05, 2020
  - viii. The Ministry of Corporate Affairs vide its Circular No. 02/2022 dated May 5, 2022, has decided to allow companies whose AGMs are due in the year 2022, to conduct their AGMs through VC/OAVM on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 5, 2020.
32. Members who have not registered/updated their e-mail IDs so far are requested to register/update the same to get all notices, communiques, etc. from the Company, electronically, as per the following procedure:

Physical Holding	Kindly submit Form ISR-1 to update PAN, Postal Address with PIN, Email Address & Mobile Number including demat and bank account details. Form ISR-1 is available on the website of the Company.  You are requested to forward the duly filled-in documents along with the related proofs as mentioned in the form to the following address:  M/s Cameo Corporate Services Limited. Subramanian Building, #1, Club House Road, Chennai 600 002 - India. Ph: 044- 28460390 to 95 Email: investor@cameoindia.com
Demat Holding	Contact respective Depository Participant(s)



**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The Remote e-voting period begins on Tuesday, August 23, 2022 and ends on Thursday, August 25, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 19, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.

Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KFIN/LINKIN TIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from the e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Individual Shareholders holding securities in demat mode with NSDL Depository	<p>2. If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDEAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login Type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
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(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical Shareholders and Other than Individual Shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix) Click on the EVSN for NEELAMALAI AGRO INDUSTRIES LIMITED on which you choose to vote.
- x) 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.
- xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii) 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.
- xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login 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.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [vsureshpcs@gmail.com](mailto:vsureshpcs@gmail.com) and to the Company at the email address viz; [secneelamalai@avtplantations.co.in](mailto:secneelamalai@avtplantations.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**
1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
  3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secneelamalai@avtplantations.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secneelamalai@avtplantations.co.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders - Kindly submit Form ISR-1 to update PAN, Postal Address with PIN, Email Address & Mobile Number including demat and bank account details. Form ISR-1 is available on the website of the Company. You are requested to forward the duly filled-in documents along with the related proofs as mentioned in the form to Company's RTA, M/s Cameo Corporate Services Limited, Chennai.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33

**NOTE TO SHAREHOLDERS**

We hereby inform that SEBI vide its Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 has mandated:

- a. Furnishing of PAN, email address, mobile number, bank account details, signature and nomination by holders of physical securities.
- b. Freezing of folios in cases where PAN is not linked with Aadhaar by March 31, 2022 (or any other date as may be specified by the Central Board of Direct Taxes).
- c. Folios wherein any one of the said documents(s)/detail(s) are not available on or after April 1, 2023, shall be frozen. Such shareholders shall not be eligible to lodge grievance(s) or avail service request(s) from the RTA and shall not be eligible for receipt of dividend in physical mode.
- d. After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

Further, in compliance to the SEBI Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, if the service requests are received by RTA (like Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/Exchange, Endorsement, Sub-division/Splitting, Consolidation of securities certificates/folios, Transmission and Transposition of securities) from those shareholders whose details, as mentioned in SEBI Circular dated November 3, 2021, are duly updated in the system, the RTA/Company shall verify and process the service requests and issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

### General instructions

- i) Mr. V. Suresh, Practising Company Secretary (C.P.No. 6032) and failing him, Mr. Udaya Kumar K R, Partner of M/s. V Suresh Associates, Practicing Company Secretaries, Chennai has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- ii) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 working days of conclusion of the meeting a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The

resolutions will be deemed have been passed on the AGM date subject to receipt of the requisite number or votes in favour of the resolutions.

- iii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.neelamalaiagro.com](http://www.neelamalaiagro.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.
- iv) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on August 19, 2022 (Friday). A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

In terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume of the Directors proposed to be re-appointed/appointed in the forthcoming Annual General Meeting, nature of expertise in specific functional areas, disclosure of relationships between directors inter-se, other Directorships, Committee memberships, shareholdings in the Company are given below:-

#### Item No.3

Name	Mr. S. Ganesan
Date of Birth	21.06.1950
DIN	08588380
Nationality	Indian
Qualifications	CA
Expertise in specific functional areas	Vast experience in Corporate Audit and Corporate Taxation
Date of appointment in the Board	30.06.2020
Number of Board Meetings attended during the FY 2021-22	Held - 6 Attended - 6
Relationship with other directors	No
Directorships held in other Companies as on March 31,2022 (excluding foreign companies)	Director - The Midland Rubber and Produce Company Limited - The Nelliampathy Tea and Produce Company Limited - L.J. International Limited - The Highland Produce Company Limited
Membership of Committees of other Companies	Nil
Number of Shares held in the Company	Nil

He is a Member of the Stakeholders Relationship Committee of the company.

EXPLANATORY STATEMENT PURSUANT TO REGULATION 36(5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, WHICH SETS OUT THE DETAILS RELATING TO ORDINARY BUSINESS - ITEM NO. 4 AT THE MEETING, IS ANNEXED HERETO AND SHALL BE TAKEN AS FORMING PART OF THIS NOTICE.

## ORDINARY BUSINESS

### Item No. 4

**Re-appointment of M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai (Regn. No. 003990S/S200018) as Statutory Auditors for the second term of five years and to fix their remuneration**

M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai (Firm's Regn. No. 003990S/S200018) were appointed as Statutory Auditors of the Company at the 74<sup>th</sup> Annual General Meeting (AGM) held on August 17, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 79<sup>th</sup> AGM to be held in the year 2022. In terms of the provisions of Section 139 of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or re-appoint an audit firm as Statutory Auditors for not more than two (2) terms of five (5) consecutive years. M/s. PKF Sridhar & Santhanam LLP is eligible for re-appointment for a further period of five years.

Based on the recommendations of the Audit Committee, the Board of Directors, at its meeting held on May 30, 2022, proposed the re-appointment of M/s. PKF Sridhar & Santhanam LLP as the Statutory Auditors of the Company to hold office for the second term of five consecutive years from the conclusion of the ensuing AGM until the conclusion of the 84<sup>th</sup> AGM to be held in the year 2027.

M/s. PKF Sridhar & Santhanam LLP have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder.

The proposed remuneration to be paid to M/s. PKF Sridhar & Santhanam LLP for Statutory Audit for the financial year ending March 31, 2023, is Rs. 7 Lakhs (Rupees Seven Lakhs only) plus applicable taxes and out of pocket expenses.

The Board of Directors, based on the recommendations of the Audit Committee, shall approve the remuneration of the statutory auditors for the remaining part of the tenure. The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors. Considering the evaluation of the past performance, experience and expertise of M/s. PKF Sridhar & Santhanam LLP and based on the recommendation of the Audit Committee, it is proposed to re-appoint M/s. PKF Sridhar & Santhanam LLP as Statutory Auditors of the Company for the second term of five consecutive years till the conclusion of the 84<sup>th</sup> AGM of the Company in terms of the aforesaid provisions.

### **Brief profile of M/s. PKF Sridhar & Santhanam LLP**

M/s. PKF Sridhar & Santhanam LLP has been in existence from 1978 as a partnership firm and subsequently converted as a Limited Liability Partnership and is registered with the Institute of Chartered Accountants of India (Firm's Regn. No. 003990S/S200018), offering a wide spectrum of services. The Firm has 23 partners and over 450 people. The Firm has Head Office at KRD GEE GEE Crystal, 7th Floor, 91-92, Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004 and Branch offices in Bengaluru, Delhi, Mumbai, and Hyderabad. The firm also has a valid Peer Review Certificate.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the proposed Resolution.

The Board recommends the resolution set forth at item no. 4 of the notice for the approval of members.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventy Ninth (79th) Annual Report, with the Audited Financial Statements for the year ended March 31, 2022.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2022 is summarized below:

Amount Rs. Lakhs (except EPS)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Income from operations</b>		
a) Revenue from Operations	2,956.76	2,945.02
b) Other Income	799.54	799.63
Total Income from Operations(net)	3,736.30	3,744.65
Gross Profit before Depreciation, Finance Cost and tax	679.02	863.79
a) Finance Cost	2.76	7.11
b) Depreciation & Amortization expense	74.55	66.48
Profit before tax	601.71	790.20
Add/(Less)Exceptional Items	---	51.96
Profit after Exceptional Items	601.71	842.16
Tax Expenses (Net-off Deferred Tax)	117.90	178.99
Profit after Tax	<b>483.81</b>	<b>663.17</b>
Other Comprehensive Income for the year	(47.86)	(7.98)
Total Comprehensive Income for the year	435.95	655.19
Earnings per share (EPS)		
a) Basic	77.78	105.74
b) Diluted	77.78	105.74

### OPERATIONS REVIEW

Total income decreased from Rs. 3744.65 Lakhs in 2020-2021 to Rs. 3736.30 Lakhs in 2021-22. The decrease is 0.22% in revenue compared to the previous year's operation. The decrease is due to change in Fair value of Investments and reduction in Export prices. Profit after tax is Rs.483.81 Lakhs (previous year: Rs 663.17 Lakhs).

Tea production during the year was 14.43 Lakhs Kg with an average yield of 2572 Kg. per hectare as against 12.16 lakhs Kg with an average yield of 2167 Kg per hectare during last year. Apart from this there is also a production of 6.31 Lakhs kg of bought leaf as against 4.96 Lakhs Kg during the previous year. The sale average during the year was at Rs.140.48 per Kg as against the last year's sale average of Rs. 140.58 per Kg.

### DIVIDEND

Your Directors are pleased to recommend a final dividend of 200% (Rs. 20/- per share) on Equity Share Capital, for the year ended 31.03.2022, amounting to Rs. 124.42 Lakhs.

During the year, the Board declared an Interim Dividend of 100% (Rs.10 per share) on Equity Share Capital, amounting to Rs.62.21 lakhs. The aggregate of dividend declared during the year was 300 % (Rs. 30/- per share) on Equity Share Capital amounting to Rs. 186.63 lakhs.

### LISTING OF SECURITIES ON BSE LTD

The equity shares of the company continued to be listed on BSE Ltd. The Company has paid listing fees up to March 31, 2023 to the BSE Ltd.

### BOARD MEETINGS

The Board of Directors consisted of Mr. Ajit Thomas, Chairman, Mrs. Shanthi Thomas, Executive Director, Mr. A.D. Bopana, (upto 31.0.3.2022) and Mr. F.S. Mohan Eddy, Independent Directors, Mrs. Kavitha Vijay, Independent Woman Director, Mr. S. Ganesan, Non-Executive Director and Mr.M.Meyyappan, Non-Executive & Independent Director (w.e.f. 01.04.2022).

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board business. The Board of Directors met six (6) times during this financial year. The details of the Board meetings are given in Corporate Governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **AUDIT COMMITTEE MEETINGS**

The constitution of Audit committee during the year was as follows: -

Mr. A.D. Bopana (Independent Director and Chairman of Audit Committee) – (upto 31.03.2022)

Mr. Ajit Thomas (Director)

Mr. F.S. Mohan Eddy (Independent Director), (as Chairman of Audit Committee w.e.f. 01.04.2022)

Mrs. Kavitha Vijay (Independent Woman Director)

Mr.M.Meyyappan (Non-Executive & Independent Director) (w.e.f. 18.05.2022).

The terms of reference stipulated by the Board to the Audit Committee cover the matters specified for Audit Committee under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee met five (5) times during this financial year. The details of the Committee meetings are given in Corporate Governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

As per Regulation 20 (2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, effective from 01.04.2019, the Stakeholders Relationship Committee of a listed company should have at least three directors, with at least one being an independent director. The composition of Stakeholders Relationship committee during the year was as follows: -

Mr. Ajit Thomas - Chairman

Mr. A.D.Bopana – Member (upto 31.03.2022)

Mr. F.S.Mohan Eddy – Member

Mr.S.Ganesan – Member (w.e.f. 01.04.2022)

The Board has designated Mr. S. Lakshmi Narasimhan as the Compliance Officer

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns in compliance with provision of section 177 (10) of Companies Act 2013 and Regulation 22 of SEBI (LODR) 2015.

The details of the policy is uploaded in the website of the Company [www.neelamalaiagro.com](http://www.neelamalaiagro.com).

No instance of unethical behaviour was reported.

#### **NOMINATION & REMUNERATION COMMITTEE**

The Composition of the Nomination and Remuneration Committee is as follows:

Mr.A.D.Bopana – Chairman of Nomination and Remuneration Committee (upto 31.03.2022)

Mr. F.S. Mohan Eddy – Chairman of Nomination and Remuneration Committee (w.e.f. 01.04.2022)

Mr. Ajit Thomas - Member

Mr.M.Meyyappan – Member (w.e.f. 01.04.2022)

The Nomination and Remuneration Policy of the Company for Directors, Key Managerial Personnel (KMP) and Senior Management Personnel was amended from time to time as per the provisions of the Companies Act and SEBI (LODR) Regulations, 2015, and the same is uploaded in the website of the Company [www.neelamalaiagro.com](http://www.neelamalaiagro.com).

#### **PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS**

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of investments made by Company is given in the notes nos. 6 & 13 to the financial statements.

#### **FIXED DEPOSITS**

The Company is not accepting deposits. As such there are no unclaimed deposits in the books of the company as on March 31, 2022.

#### **TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY**

Pursuant to Section 124 and 125 of the Companies Act 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividends, if not claimed for consecutive period of 7 years from the date of transfer to unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”).

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated October 13, 2017 read with the circular dated October 16, 2017.



In the interest of the shareholders, the Company sends reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard also published in the newspapers and the details of unclaimed dividends and shareholders whose shares liable to be transferred to IEPF Authority were uploaded on the Company's web site [www.neelamalaiagro.com](http://www.neelamalaiagro.com).

In the light of the aforesaid provisions, the Company had during the year, transferred to the IEPF the unclaimed dividends outstanding for 7 consecutive years with the quantum of 606 shares (No. of shareholders- 9) of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of the IEPF Authority.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF -5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claim shall lie against the Company in respect of the dividend / shares so transferred.

#### **RESERVE**

Transfer to the reserves for the financial year 2021-2022 is Nil.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **1. Independent Directors**

Mr. A.D.Bopana (upto 31.03.2022), Mr. F.S.Mohan Eddy, Mr.M.Meyyappan(w.e.f.01.04.2022) are the Independent Directors of the company. Mrs. Kavitha Vijay is the Independent Woman Director of the Company. The provisions of the Companies Act, 2013 pertaining to appointment of Woman Director under Section 149(1) been complied with.

The Board of Directors of the Company, upon the recommendations of the Nomination and Remuneration Committee, at its meeting held on 31.03.2022, had recommended the appointment of Mr.M.Meyyappan as a Non-Executive & Independent Director for a term of 3 (Three) consecutive years with effect from 01.04.2022 to 31.03.2025 on the Board of the Company, which was subsequently approved by the shareholders through Postal Ballot.

##### **2. Director Retiring by Rotation**

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr.S.Ganesan, Non-Executive Director, retires by rotation at the 79th Annual General Meeting and being eligible, offer himself for re-appointment.

##### **3. Key Managerial Personnel**

Mrs. Shanthi Thomas, Executive Director, Mr. Deepak G Prabhu, Chief Financial Officer and Mr. S. Lakshmi Narasimhan, Company Secretary are the Key Managerial Personnel of the Company.

##### **4. Declaration from Independent Directors on Annual Basis**

The Company has received necessary declaration from all the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) of the Companies Act, 2013.

#### **INFORMATION ABOUT THE FINANCIAL PERFORMANCE/FINANCIAL POSITION OF THE SUBSIDIARIES/ASSOCIATES/JOINT VENTURE**

The company has no subsidiary companies. As required under Section 129(3) of the Companies Act, 2013, the Company has prepared a Consolidated Financial Statement in respect of its Associates/Joint Venture companies along with its own financial statements. Further, details of financial performance/ financial position of the associate companies as required under first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 are annexed in Form AOC 1 (Annexure 1).

#### **CONSERVATION OF ENERGY**

The company has taken adequate steps for conservation of energy by utilizing alternate sources and by investing on energy conservation equipments. The particulars prescribed by the Section 134 (3) (m) of the Companies Act 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy and Technology Absorption are furnished in the Annexure 2 to this Report.

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, the Company's Foreign Exchange Earnings amounted to Rs.1602.95 Lakhs. The total outgo on Foreign Exchange amounted to Rs.15.88 Lakhs. The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

#### **STATUTORY INFORMATION**

The information required under section 197 (12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the Company have been given in the Annexure – 3.

The information under section 197 of Companies Act, 2013 and pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not required, as none of the employees falls under this category.

The statement containing remuneration paid to employees and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company during business hours on working days of the Company up to date of the forthcoming Annual General Meeting. Any member interested in obtaining a copy of the same may write to the Company and the same will be provided free of cost to the member.

#### **CHANGES IN SHARE CAPITAL**

There is no change in the issue of Equity Share Capital during the year under review.

The Company had complied with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for the financial year ended 31st March 2022.

#### **SHIFTING OF REGISTERED OFFICE OF THE COMPANY**

The shareholders in the previous Annual General Meeting held on 03.09.2021 had approved the Shifting of Registered Office of the Company from Coonoor (Jurisdiction of Registrar of Companies, Coimbatore), to Chennai (Jurisdiction of Registrar of Companies, Chennai). The Company is in the process of shifting the Registered Office. Regional Director (Southern Region), Ministry of Corporate Affairs, Chennai, vide order dated 19.04.2022, had confirmed the aforesaid shifting.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There were no significant material orders passed by the Regulators or Courts which would impact the going concern status of the Company and its future operations.

#### **STATUTORY AUDITORS**

Pursuant to Section 139 and 142 of the Companies Act, 2013, the members of the Company had appointed M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, KR D Gee Gee Crystal, 7th Floor, 91-92, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600004, (Firm's Registration No. 003990S / S200018) as Statutory Auditors for a period of 5 years commencing from the conclusion of the 74th Annual General Meeting till the conclusion of the 79th Annual

General Meeting. Consequently, M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, will complete their first term of five consecutive years as the Statutory Auditors of the company at the conclusion of the ensuing 79<sup>th</sup> Annual General Meeting of the company.

The remuneration of the Statutory Auditors for the Financial Year 2021 - 2022 was Rs. 7 Lakhs (Rupees Seven Lakhs Only) plus taxes applicable thereon and reimbursement of out of pocket and travelling expenses.

The Audit Committee and the Board of Directors in their respective meetings held on 30-05-2022, recommended the re-appointment of M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants as Statutory Auditors of the Company, subject to the approval of the shareholders, for the second term of Five year(s) commencing from the conclusion of the ensuing 79<sup>th</sup> Annual General Meeting till the conclusion of 84<sup>th</sup> Annual General Meeting, on a remuneration as may be determined by the Audit Committee in consultation with the Auditors. M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants have consented to the said appointment and confirmed that their re-appointment, if made, would be within the limits mentioned under Section 141 (3) (g) of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014.

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company had appointed M/s. V. Suresh Associates, Practising Company Secretaries, Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in Form MR-3 is annexed (Annexure 4) to this report and forms an integral part of this Report.

There is no secretarial audit qualification, reservation or adverse remarks in the Secretarial Audit Report for the period under review. The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) relating to the Board and General Meetings have been complied with by the Company. During the year, the Company has complied with the Secretarial Standard -1 (SS-1) and Secretarial Standard-2 (SS-2) issued by the Ministry of Corporate Affairs.

#### **COST AUDIT**

The provisions of Cost Audit under Section 148 of the Companies Act, 2013 are not applicable to the Company for the current year.

The company has maintained Cost Records as per Companies (Cost Records and Audit) Rules, 2014.

#### **REPORTING OF FRAUD**

The Auditors of the Company have not reported any fraud as specified under section 143 (12) of the Companies Act, 2013.

## BOARD INDEPENDENCE

The definition of Independence of Directors is derived from Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/ disclosures received from the Independent Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013;

Mr. A. D. Bopana (upto 31.03.2022)

Mr. F. S. Mohan Eddy

Mrs. Kavitha Vijay

Mr. M. Meyyappan (w.e.f. 01.04.2022)

In compliance with Schedule IV of the Companies Act, 2013 and Rules thereunder, the Independent Directors met on 31.03.2022 and discussed issues as prescribed under the schedule IV of the Companies Act, 2013 and evaluated the performance of the Board and the Company. The Directors expressed their satisfaction on the performance of the Company.

## ANNUAL EVALUATION BY THE BOARD

In compliance with the Companies Act, 2013 and Regulation 19 read with Schedule II of SEBI (LODR), Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Nomination & Remuneration Committee members, covering various aspects of the Board's functioning such as adequacy of composition of Board and Committees, Board communication, timeliness and unbiased information of right length and quality of information, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as attendance and participation in the discussion and deliberation at the meeting, understanding role and responsibilities as board member, demonstration of knowledge, skill and experience that make him/her a valuable resource for the board.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Executive Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants in their report and by M/s. V Suresh Associates, Practising Company Secretaries,

Chennai in their Secretarial Audit report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the year under review. There were some delay in remitting statutory payments for Provident Fund due to KYC issues.

## RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were at arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. There are no materially significant related party transactions entered into by the Company with Promoters, Directors or KMP etc., which may have potential conflict with the interest of the company at large.

All new related party transactions are first approved by the Audit Committee and thereafter placed before the Board for their consideration and approval. A statement of all related party transactions is presented before the Audit Committee meeting on quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The particulars of Contracts or arrangements with related parties referred to in Section 188(1), read with Rule 15 of The Companies (Meetings of Board and Its Powers) Rules 2014 is appended to this report in prescribed Form AOC 2 as Annexure 7.

The Related Party Transaction Policy as amended w.e.f. 01.04.2022 and approved by the Board is uploaded on the website of the company.

## CORPORATE GOVERNANCE

The Company has always strived to adopt appropriate standards for good Corporate Governance.

Detailed report on the Corporate Governance and Management Discussion Analysis, form part of this report. A certificate from the Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015 is also annexed to the said Report.

The Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 27 read with Part E of Schedule II and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 on Corporate Governance. 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 (Annexure 5 & 6).

## **INTERNAL AUDIT, ITS ADEQUACY AND INTERNAL FINANCIAL CONTROL**

The Company has in place adequate Internal Audit and Internal Financial Controls with reference to the financial statements, which is evaluated by the Audit Committee as per Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

In compliance with Section 138 of the Companies Act, 2013, the Company had engaged M/s. PSDY & Associates, Chartered Accountants, Ernakulam as the Internal Auditors of the Company for the financial year 2021-2022. Findings and observations of the Internal Auditors are discussed and suitable corrective actions are taken as per the directions of the Audit Committee on an on-going basis to improve efficiency in operations. Thus, the internal audit function essentially validates the compliance of the Company. The Company's internal control systems are well established and commensurate with the nature of its business and the size and complexities of operations and adequate with reference to the financial statements as envisaged under the Companies Act, 2013. Your directors endorse that during the year under review, there were no reportable material weaknesses in the present systems or operations of internal controls.

## **CORPORATE SOCIAL RESPONSIBILITY**

The company does not fall within the ambit of the provisions of Section 135 of the Companies Act 2013 regarding Corporate Social Responsibility and hence Annual Report on Corporate Social Responsibility (CSR) Activities is not annexed.

## **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Independent Directors attend a Familiarization / Orientation Program on being inducted into the Board. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarize them with the process, business and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarization Programmes uploaded on the website of the Company [www.neelamalaiagro.com](http://www.neelamalaiagro.com).

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Board of Directors has adopted revised Insider Trading Policy in their meeting held on 14th February 2019 in compliance with the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The insider trading policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with the shares of the

Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by designated person/ employees and maintain the highest ethical standards of dealing in Company securities. The Company's New code of Conduct for Prevention of Insider Trading is uploaded on the website of the Company [www.neelamalaiagro.com](http://www.neelamalaiagro.com).

## **ANNUAL RETURN**

As required under Section 92(3) of the Companies Act, 2013 copy of Annual Return of the Company is uploaded on the company's website. The weblink to access the annual return is [www.neelamalaiagro.com](http://www.neelamalaiagro.com).

## **INDUSTRIAL RELATIONS**

During the year under review, your company enjoyed cordial relationship with workers and employees at all levels.

## **RISK MANAGEMENT PLAN**

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 and as per Regulation 17 (9)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had laid down the procedures to inform Board members about the risk assessment and mitigation procedures.

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

Particulars	Risk Minimizing 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. The debt component is very marginal
Credit risk on exports	The credit is insured through Export Credit and Guarantee Corporation Limited (ECGC)

Mr. Deepak G Prabhu, Chief Financial Officer, has been assigned the task of informing the Board about the various risks and its mitigation by the Company from time to time.

At present the company has not identified any element of risk which may threaten the existence of the Company.

## **DISCLOSURE OF ACCOUNTING TREATMENT**

The Company has adopted the Indian Accounting Standards (Ind AS) with effect from 1st April 2017 and all its financial statements are made according to the said standard. Further, in the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are applied are set out in the Notes to the Financial Statements.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Act and that an Internal Complaints Committee has been set up for redressal of complaints under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and that all employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year the company has not received any complaint under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- I. In the preparation of the annual accounts for the financial year ended 31st March 2022 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- IV. The Directors had prepared the annual accounts for the financial year ended 31st March 2022 on a going concern basis;
- V. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- VI. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **ACKNOWLEDGEMENT**

The Directors sincerely acknowledge the contribution and support from customers, shareholders, Central and State Governments, Bankers, Securities Exchange Board of India, BSE Ltd, Cameo Corporate Services Ltd., Central Depository Services (India) Ltd., National Securities Depositories Limited, Registrar of Companies and other Government Authorities for the co-operation and assistance provided to the Company.

The Directors also place on record their gratitude to the employees for their continued support, commitment, dedication and co-operation.

**On Behalf of the Board**

Ajit Thomas  
Chairman

DIN : 00018691

Chennai  
30.05.2022

## FORM AOC - 1

Sl. No.	Name of Associates / Joint Ventures	AVT Natural Products Ltd	AVT McCormick Ingredients Private Ltd	Midland Corporate Advisory Services Pvt. Ltd.
1	Latest audited Balance Sheet Date	31st March 2022	31st March 2022	31st March 2022
2	Shares of Associate/Joint Venture held by the company on the year end			
	(i) Number	6,09,13,600	31,50,000	2,50,000
	(ii) Amount of Investment in Associates/Joint Venture (Amt. in Rs. Lakhs)	258.97	315.00	25.00
	(iii) Extend of Holding %	40.00%	14.58%	32.89%
3	Description of how there is significant influence	More than 20% of the Total Share Capital of the Associate Concern is held by Neelamalai Agro Industries Ltd.		
4	Reason why the associate / joint venture is not consolidated	The Account of Associates have been Consolidated		
5.	Networth attributable to shareholding as per latest audited Balance Sheet (Amt. in Rs. Lakhs)	14,749.97	3,295.53	17.67
6.	Profit / Loss for the year			
	i. Considered in Consolidation	2,914.01	457.14	9.96
	ii. Not Considered in Consolidation (Amt. in Rs. Lakhs)	---	---	---
Total Networth of the company (Amt. in Rs. Lakhs)		36,874.92	22,597.90	53.71

## Conservation of Energy

The information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2022 is given here below and forms part of the Directors' Report.

### A. CONSERVATION OF ENERGY

Neelamalai Agro Industries Ltd. is committed to conserve energy in all our activities. We have been adopting energy conservation measures for many years. The following energy saving measures have been adopted at Katary & Sutton Estates:-

1. Energy Efficient motors have been installed in Withering Section & Rolling room
2. Dust collection system provided with Energy Efficient motors and variable speed drive in Tea Mech Drier & Jumbo Drier
3. Recycling, Drier Exhaust hot air for withering from dust collection systems in Tea Mec Drier & Jumbo Drier.
4. Dust collection system with energy efficient motor has been installed in sifting room
5. Hot water Generator of 10 Lakh Kcal has been installed for fuel efficiency
6. Energy Saving lights of 28 watts have been provided in factory instead of 40 watts per fitting
7. Reduced usage of Diesel Generator (DG) by maintaining maximum demand with proper usage of automated maximum demand management system
8. 200 KVAR Harmonics filter panel has been installed to stabilize the power supply & improve power factor for savings on energy
9. Outdoor lightings have been changed to LED – 200 watts

## ANNEXURE - 3

Information pursuant to Section 197(12) of the Companies, Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014

- (1) Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2021-2022

Median remuneration of all the employees of the Company for the Financial Year 2021-22- Rs Lakhs	1.15 Lakhs
Percentage increase in the median remuneration of the employees in the Financial year 2021-22	21.15%
Number of permanent employees on the rolls of the Company as on 31st March 2022	582

- (2) The percentage of increase in remuneration of Executive Director /Company Secretary & CFO during the financial year 2021-2022.

Sl. No.	Name of the Director / KMP	Designation	Remuneration during the FY 2021-22 (Rs. in Lakhs)	% increase in Remuneration during FY 2021-22
a	Mrs. Shanthi Thomas	Executive Director	41.25 Lakhs	36.22 % increase
b	Mr. Deepak G Prabhu	Chief Financial Officer	41.46 Lakhs	28.57% increase
c	Mr. S Lakshmi Narasimhan	Company Secretary	13.89 Lakhs	5% increase

- (3) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: -

There is an increase of 18.44 % in the salaries of employees other than managerial personnel mainly due to increase in the salaries revision and that there is an increase of 18.05 % in the salaries of the managerial personnel during the year.

Justification for increase: The increase is in line with the industrial standards and the Company's performance

- (4) The remuneration is as per the remuneration policy of the Company.

*Note: The calculation for median remuneration and average increase in remuneration is arrived at based on permanent employees of the Company in the regular rolls.*



## SECRETARIAL AUDIT REPORT

For the Financial Year 2021 - 22

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
M/s. NEELAMALAI AGRO INDUSTRIES LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. NEELAMALAI AGRO INDUSTRIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and for the purpose of issuing this Report.

Based on our verification of by M/s. NEELAMALAI AGRO INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. NEELAMALAI AGRO INDUSTRIES LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the audit period)**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**

Other Laws specifically applicable to this Company is as follows:

- (vi) Plantation Labour Act, 1951
- (vii) Food Safety and Standards Act, 2006
- (viii) Tea Act, 1953
- (ix) Tea (Marketing) Control Order 2003.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**We further report** that the Board of Directors of the Company is constituted with Executive Director, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, which is sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**We further report** that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that, During the audit period, the shareholders in the previous Annual General Meeting held on 03.09.2021 had approved the Shifting of Registered Office of the Company from Coonoor (Jurisdiction of Registrar of Companies, Coimbatore ), to Chennai (Jurisdiction of Registrar of Companies, Chennai).

For V. Suresh Associates  
Practicing Company Secretaries

V. Suresh  
Senior Partner  
FCS No. 2969  
C.P. No. 6032

Place : Chennai      Peer Review Cert. No. : 667/2020  
Date : 23.05.2022      UDIN: F002969D000367267

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To  
The Members,  
M/s. NEELAMALAI AGRO INDUSTRIES LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V. Suresh Associates  
Practicing Company Secretaries

V. Suresh  
Senior Partner  
FCS No. 2969  
C.P. No. 6032

Place : Chennai      Peer Review Cert. No. : 667/2020  
Date : 23.05.2022      UDIN: F002969D000367267

## 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 analyzed 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 cultivation, Tea manufacturing, sales and exports of Tea.

The Company has two estates i.e. Katary & Sutton Estates, located in the Nilgiris District in Tamil Nadu, 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 100% Orthodox Tea.

### 2) INDUSTRY SCENARIO

The sale price has dropped when compared to the previous year for Orthodox Tea.

### 3) PERFORMANCE

During the year under review, sales has increased by 0.40%. The company has posted a comprehensive income (net of tax) of Rs.435.95 lakhs, as against Rs.655.19 lakhs during the last year. The summary of the performance is given below:-

Particulars	31.03.2022 Rs. Lakhs	31.03.2021 Rs. Lakhs
Sales	2956.76	2945.02
Other Receipts	779.54	799.63
Total Income	3736.30	3744.65
Material Cost	(457.83)	(768.81)
Expenses	(2599.45)	(2112.05)
Interest	(2.76)	(7.11)
Depreciation	(74.55)	(66.48)
Profit / (Loss) before Tax and Exceptional item	601.71	790.20
Profit / (Loss) before Tax and after Exceptional item	601.71	842.16
Tax Expenses (Current & Deferred Tax)	117.90	(178.99)
Net Profit / (Loss)	483.81	663.17
Remeasurement of the post-employment benefit obligations	(14.90)	(11.05)
Changes in Fair Value of FVOCI Investments	(46.85)	
Income Tax Expenses / (Credit)	13.89	3.07
Total comprehensive income	435.95	655.19

### 4) OPPORTUNITIES AND THREATS

#### Opportunities

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

#### 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. Regarding the 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. The debt component is very marginal
Credit risk on exports	The credit is insured through Export Credit and Guarantee Corporation Limited (ECGC)

## 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.3736.30 Lacs as against Rs. 3744.65 Lacs during the previous year. Tea production including Bought Leaf during the year was 20.95 Lacs kgs as against 17.12 Lacs kgs. during the previous year. Other receipts have recorded an income of Rs.779.54 Lacs during the 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 upgradation 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 31st March 2022, the company has an employee strength of 1036 nos.

## 11) CAUTIONARY STATEMENT

The analysis given above may contain certain statements which are futuristic in nature. Such statements represent 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 Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company submits the report on matters mentioned in the said Regulation 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. viz. Shareholders, Customers, Suppliers, Employees and Society in general.

### 2. BOARD OF DIRECTORS

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

Category	Name of the Directors
a. Promoter/Chairman	Mr. Ajit Thomas
b. Executive Director	Mrs. Shanthi Thomas
c. Non-Executive and Independent Directors	Mr. A. D. Bopana ( <i>upto 31.03.2022</i> ) Mr. F. S. Mohan Eddy Mrs. Kavitha Vijay (Independent Woman Director) Mr.M.Meyyappan ( <i>m.e.f. 01.04.2022</i> )
d. Non-Executive Non -Independent Director	Mr.S.Ganesan

The composition of the Board of Directors of the Company is presently governed by the provisions of Companies Act, 2013, the Articles of Association of the Company and the SEBI (LODR) Regulations, 2015.

The Board of Directors of the Company consists of persons of eminence, having good experience in business management, polymer technology, finance, accountancy and law. The Board of Directors meet as often as required but not less than four times a year i.e. once in a calendar quarter. The Directors receive minutes of all the meetings of the Board and of the respective Committee meetings wherever they are members; namely Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee.

During the financial year 2021-22, six meetings of the Board of Directors were held on

- i) 11<sup>th</sup> June, 2021,
- ii) 30<sup>th</sup> June, 2021
- iii) 12<sup>th</sup> August 2021,
- iv) 11<sup>th</sup> November 2021
- v) 11<sup>th</sup> February, 2022 and
- vi) 31<sup>st</sup> March 2022.

Independent Directors are expected not to serve on the Board of competing companies. No Director of the company is a member of more than ten Committees or can act as Chairman of more than five committees across all public limited companies in which he / she is a director. For the purpose of these only membership and chairmanship of Audit Committee and Stakeholders' Relationship Committee are alone considered.

Further, every Director informs the Company about the Committee position he / she occupies in other companies and notifies the changes as and when they take place. The details of directorships held by the Company's Directors in public limited companies (excluding Neelamalai Agro Industries Ltd.) as on 31st March 2022 and attendance at the Board Meetings of the Company are given below:

Name of the Director	Designation / Category of Directorship	No. of Board Meeting attended	Last AGM Attendance (Yes / No)	No. of other Directorships held	No. of other Committees of which Member / Chairman	Whether Chairman / Member
Mr. Ajit Thomas	Chairman	6	Yes	8	5	4 as Chairman 1 as Member
Mrs. Shanthi Thomas	Executive Director	3	Yes	2	1	1 as Member
Mr. A.D.Bopana (upto 31.03.2022)	Non- Executive Independent Director	5	Yes	4	4	4 as Member
Mr. F.S. Mohan Eddy	Non- Executive Independent Director	6	Yes	2	1	1 as Member
Mrs. Kavitha Vijay	Independent Woman Director	6	Yes	3	3	3 as Member
Mr. S. Ganesan	Non- Executive Director	6	Yes	4	-	-
Mr. M. Meyyappan (w.e.f. 01.04.2022)	Non- Executive & Independent Director	Not Applicable				

Note 1: For calculation of number of Committee Positions in other public limited companies, we have considered Audit Committee and Stakeholders relationship committee alone.

Note 2: Mrs. Shanthi Thomas, Executive Director of the Company is spouse of Mr. Ajit Thomas, Chairperson of the Company. None of the other Directors are related inter se in any manner

Note 3: None of the Directors on the Board is a member of more than 10 committees or act as Chairman of more than 5 committees across all Listed Companies and Unlisted Public Limited Companies in which he / she is a Director.

#### DIRECTORS' PROFILE IN OTHER LISTED ENTITIES

Sl. No.	Name of the Director	Name of the Company	Category of Directorship
1	Mr. Ajit Thomas	M/s. Saksoft Limited M/s. AVT Natural Products Limited	Independent Director Non - Executive Non - Independent Director
2	Mrs. Shanthi Thomas	M/s. AVT Natural Products Ltd	Non - Executive Non - Independent Director
3	Mr. A.D. Bopana (upto 31.03.2022)	M/s. AVT Natural Products Ltd	Independent Director
4.	Mr. F.S. Mohan Eddy	Nil	
5.	Mrs. Kavitha Vijay	M/s. AVT Natural Products Ltd M/s. MM Forgings Ltd	Independent Woman Director Independent Director
6.	Mr. S. Ganesan	Nil	
7.	Mr. M. Meyyappan (w.e.f. 01.04.2022)	Nil	

The Board meets at least once in a quarter and the interval between two meetings is not more than 120 days. Apart from the statutory requirements, the role of the Board includes setting annual business plan, periodic review of operations & considering proposals for diversification, investments and business re-organization. The information periodically placed before the board includes status of statutory compliance, proceedings / minutes of all committees including the audit committee.

A Director of a Listed Entity shall not be a director on the Board of more than Eight (8) Listed Entities with effect from 1st April 2019, out of which he/she shall not serve as an Independent Director on the Board of more than Seven (7) Listed Entities. However, a person on the Board of a Listed entity serving as Managing Director / Whole-Time-Director shall not serve as an Independent Director on the Board of not more than Three (3) Listed Entities.

## KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

In accordance with Clause C(h)(i) and (ii) of Schedule V read with Regulations 34(3) and 53(f) of LODR, the Board of Directors have identified the following Core Skills/Expertise/Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.

The Board of the Company comprises qualified members who bring in the required skills, expertise and competence that allows them to make effective contribution to the Board and its Committees. The members of the Board are committed to ensure that the Board is in compliance with the highest standards of corporate governance.

The below table summarizes the key qualifications, skills, expertise and attributes considered while nominating a candidate to serve on the Board:

Board Qualification	Indicators
<b>Agriculture &amp; Contract farming</b>	Being a Director in an Agro based Company, proficiency in complex Agriculture, contract farming, backward integration etc., are key to develop a team
<b>Business Operations</b>	Vast experience in driving business success across the country with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and have a broad perspective on market opportunities.
<b>Leadership</b>	Leadership experience in a significant enterprise with a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, succession planning and driving change and long-term growth.
<b>Technology</b>	A significant background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
<b>Board Governance</b>	Service on the Board of the public company to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.
<b>Sales and Marketing</b>	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance company reputation
<b>Finance</b>	Being a Director in manufacturing company, proficiency in complex financial management, capital allocation and financial reporting processes are must.

The skill areas in the matrix will be regularly reviewed to ensure that the composition of skills on the Board remains aligned with the Group's stage of development and strategic direction.

## SKILL SET OF INDIVIDUAL DIRECTORS

Name of Directors	Agriculture & Contact Farming	Business Operations	Leadership	Technology	Board Governance	Sales and Marketing	Finance
Mr. Ajit Thomas, Chairman	✓	✓	✓	✓	✓	✓	✓
Mrs. Shanthi Thomas, Executive Director	✓	✓	✓	✓	✓	✓	✓
Mr. A D Bopana, Independent Director	✓	✓	✓	✓	✓	-	✓
Mr. F S Mohan Eddy, Independent Director	✓	✓	✓	✓	✓	✓	✓
Mrs. Kavitha Vijay, Independent Woman Director	✓	✓	✓	✓	✓	-	✓
Mr. S. Ganesan, Non Executive Director	✓	✓	✓	✓	✓	-	✓

### Confirmation

In the opinion of the Board that the Independent Directors fulfill the conditions specified under Regulation 34(3) of SEBI (LODR) Regulations, 2015 and are independent of the management.

## POLICY ON BOARD DIVERSITY

The Policy on Board Diversity adopted by the Company includes the following:

- a. Diversity is ensured through consideration of a number of factors, including but not limited to skills, regional and industry experience, background and other qualities.
- b. The Nomination & Remuneration Committee shall lead the process for Board appointment and for identifying and nominating, for approval of the Board, candidates for appointment to the Board.
- c. Board appointments are based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender.
- d. The Company shall also take into account factors based on its own business model and specific needs from time to time.
- e. The benefits of experience/knowledge in the areas relevant to the Company and diversity continue to influence succession planning and continue to be the key criteria for the search and nomination of Directors to the Board.

### Familiarisation programmes

The Independent Directors attend a Familiarization / Orientation Program on being inducted into the Board. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarize them with the process, business and functionalities of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarization Program is uploaded on the website of the Company. [www.neelamalaiagro.com](http://www.neelamalaiagro.com)

### Details of shareholding of Directors as on 31st March 2022

The number of equity shares of face value of Rs.10/- each of the Company held by the Directors as on 31<sup>st</sup> March 2021 is as under:

### Shareholdings of Non-Executive Directors/ Independent Director as on 31.03.2022

Name of the Non-Executive Director	DIN	No. of Shares held
Mr. Ajit Thomas (Promoter/Chairman)	00018691	4,14,618 equity shares jointly held with Mrs. Shanthi Thomas (Executive Director)
Mr. A.D. Bopana, Independent Director	00576066	Nil
Mr. F.S. Mohan Eddy, Independent Director	01633183	Nil
Mrs. Kavitha Vijay, Independent Woman Director	01047261	Nil
Mr. S. Ganesan. Non-Executive Director	08588380	Nil

### Responsibilities:

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the intervening gap between the meetings is within the period prescribed under the Companies Act 2013. During the year under review the Board met six (6) times. The agenda of the Board meeting is circulated to all the Directors well in advance and contains all the relevant information. The Chairman is responsible for corporate strategy, planning, external contacts and Board Matters. The senior management personnel heading respective divisions are responsible for all day-to-day, plant operations related issues, productivity, recruitment, and employees retention for their divisions.

## 3. COMMITTEES

The Company has constituted various committee(s) in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Company Secretary acts as the Secretary to all the Committees. Each of these Committees has the authority to engage outsider experts, advisors, and counsels to the extent it considers appropriate to assist in its functions. Minutes of the Committee meetings are circulated to the Directors and placed before the Board meeting for noting thereat.



## Audit Committee

The Audit Committee was constituted in compliance with the Companies Act, 2013. During the year under review, five meetings of the Committee were held on i) 11<sup>th</sup> June, 2021, ii) 30<sup>th</sup> June, 2021 iii) 12<sup>th</sup> August 2021 iv) 11<sup>th</sup> November, 2021 and v) 11<sup>th</sup> February 2022.

The composition of the Audit Committee is as follows:-

Mr.A.D.Bopana (Non-Executive Independent Director) - Chairman (*upto 31.03.2022*)

Mr. F.S. Mohan Eddy (Non-Executive Independent Director) - (Member *upto 31.03.2022*), Chairman (*w.e.f. 01.04.2022*)

Mr.Ajit Thomas (Non-Executive Non-Independent Director - Member

Mrs.Kavitha Vijay (Non-Executive Independent Woman Director) - Member

Mr. M.Meyyappan (Non-Executive & Independent Director) - Member ( *w.e.f. 18.05.2022*)

Attendance at the Audit Committee meetings during the year under review are given below:

Name	Non-Executive / Independent	Number of Meetings held & attended
Mr. A.D.Bopana	Non-Executive Independent Director	Held - 5 and attended – 4
Mr. Ajit Thomas	Non-Executive Non-Independent Director	Held and attended 5
Mr. F.S. Mohan Eddy	Non-Executive Independent Director	Held and attended 5
Mrs.Kavitha Vijay	Non-Executive Independent Woman Director	Held and attended 5

The Audit Committee invites the executives of the Company, as it considers appropriate, representatives of Statutory Auditor and representatives of the Internal Auditor at its meetings.

The role of the Audit Committee includes the followings pursuant to Regulation 18 of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for terms of appointment and remuneration of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to quarterly and yearly financial statements
  - f. Disclosure of any related party transactions
  - g. Modified opinion in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report to be submitted by monitoring agency with regard to utilisation of proceeds of a public or rights issue, and making appropriate recommendations to Company's Board;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertaking or assets of the company, whenever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, reviewing Internal Control Systems in the organization;
13. Reviewing adequacy of internal audit function, if any, including structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors over significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO;
20. Approval or any subsequent modification/ changes of Related Party Transactions;
21. To investigate into any matter specified under Section 177(4) or any matter referred by the Board.
22. The Committee has power to obtain external professional help/ advice and has right to ask for any information/ explanation.
23. To review the utilization of loans and /or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, if any.

#### **Nomination and Remuneration Committee:**

The composition of the Nomination and Remuneration Committee is as follows:-

Mr.A.D.Bopana (Non-Executive Independent Director) - Chairman (*upto 31.03.2022*)

Mr. F.S. Mohan Eddy (Non-Executive Independent Director) - (Member *upto 31.03.2022*), Chairman (*w.e.f. 01.04.2022*)

Mr.Ajit Thomas (Non-Executive Non-Independent Director) - Member

Mr. M.Meyyappan (Non-Executive & Independent Director) - Member ( *w.e.f. 01.04.2022*)

The Nomination and Remuneration Committee met once during the financial year 2021-2022 on 31<sup>st</sup> March 2022. The necessary quorum was present for the meeting. The performance of every Director was evaluated in the meeting held on 31<sup>st</sup> March 2022. Attendance at the Nomination and Remuneration Committee meetings during the year under review are given below:

Name	Non-Executive / Independent	Number of Meetings held & attended
Mr.A.D.Bopana ( <i>upto 31.03.2022</i> )	Non-Executive Independent Director	1
Mr. Ajit Thomas	Non-Executive Non-Independent Director	1
Mr. F.S.Mohan Eddy	Non-Executive Independent Director	1

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of Independent Directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration Policy is devised in accordance with Section 178 of the Companies Act, 2013. The performance evaluation criteria for independent director are provided in the Director Report. Further, the details of remuneration paid to all the Directors and other disclosures as required to be made under Regulation 34(3) of SEBI (LODR) Regulation 2015 have been provided in this Report.

**Remuneration of Directors/ Remuneration Policy:**

Non-executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them. The sitting fees paid during the year 2021-22 are as under:

Name of Director	Sitting Fees
Mr.Ajit Thomas	Rs.88,000/-
Mr.A.D. Bopana	Rs.78,000/-
Mr.F.S.Mohan Eddy	Rs.93,000/-
Mrs.Kavitha Vijay	Rs 90,000/-
Mr.S. Ganesan	Rs 60,000/-

**Remuneration paid to Directors for the financial year 2021-22 is as under:**

Name	Mrs. Shanthi Thomas, Executive Director
Salary	Rs.2,50,000/- per month
HRA	Rs.50,000/- per month
Provident Fund	Company's contribution@12% in accordance with the rules of the Company
Gratuity	As per the Rules of the Company
Perquisites	Company car and communication facilities: Use of the Company's car, chauffeur and communication facilities at the residence for official purposes, as per the rules of the Company. Insurance benefit: Life Cover, Personal Accident, Medical as per the policy of the Company

**Stakeholders Relationship Committee:**

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, the Stakeholders Relationship Committee during the year comprised of Mr. Ajit Thomas as Chairman, Mr.A.D.Bopana (upto 31.03.2022), Mr. F.S.Mohan Eddy and Mr.M.Meyyappan (w.e.f. 01.04.2022) as Members.

The composition of the Committee during the financial year and the details of the meeting held and attended by the members are as under:

Name	Non-Executive / Independent	Number of Meetings held & attended
Mr. Ajit Thomas	Non-Executive Non-Independent Director	10
Mr.A.D. Bopana	Non-Executive Independent Director	-
Mr. F.S. Mohan Eddy	Non-Executive Independent Director	10

The broad terms of reference of Stakeholders Relationship Committee as set out in the SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013 will include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transmission / transposition of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the services and adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports/ statutory notices by the shareholders of the company.

Mr. S. Lakshmi Narasimhan, has been appointed as the Compliance Officer, as required by Regulation 6 of SEBI (LODR) Regulations 2015. He has been entrusted the task of meeting fully the requirements of the said Regulation and overseeing the share transfer work done by the Registrars and Share Transfer Agents attending to grievances of the shareholders and investors; compliance with the statutory and regulatory requirements etc. of SEBI and stock exchange.

With reference to Regulation 46 of SEBI (LODR) Regulations, 2015 the Company has designated exclusive e-mail ID - narasimhan.l@avtplantations.co.in for investors to register their grievances, if any. This has been initiated by the company to resolve investors' grievances, immediately. The Company has displayed the said e-mail ID on its Website for the knowledge of Investors.

#### **SUMMARY OF SHAREHOLDERS COMPLAINTS AS ON 31.03.2022**

Sl. No.	Particulars	No. of Complaints
1.	Number of Shareholders complaints pending as on 01.04.2021	Nil
2.	Number of shareholders complaints received during the year 2021-22	1
3.	Number of shareholders complaints resolved during the year 2021-22	1
4.	Number of Shareholders complaints pending as on 31.03.2022	Nil

#### **4. GENERAL BODY MEETINGS**

##### **Details of last three Annual General Meetings Held:**

Year	Venue	Date	Time	Special Resolution/s Passed
2020-21	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") Deemed Venue was Katary Estate, Katary Post, The Nilgiris-643213	3rd September, 2021	11.00 a.m	3
2019-20	Through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") Deemed Venue was Katary Estate, Katary Post, The Nilgiris-643213	25th September, 2020	11.00 a.m	Nil
2018-19	Katary Estate, Katary Post, The Nilgiris-643213	30 <sup>th</sup> August, 2019	12.00 noon	1

##### **Special Resolutions:**

A Special Resolution was passed in the Annual General Meeting held on August 30, 2019 for alteration of clause 140 A of the Articles of Association of the company.

3 Special Resolutions were passed in the Annual General Meeting held on September 03, 2021 for

- Re-appointment of Mrs. Shanthi Thomas as a Whole -Time Director.
- Re-appointment of Mr. F.S. Mohan Eddy as an Independent Director
- Shifting of Registered Office of the Company from Coonoor (Jurisdiction of Registrar of Companies, Coimbatore ), to Chennai (Jurisdiction of Registrar of Companies, Chennai )

The special resolutions passed in the Annual General Meetings do not require postal ballot

#### **5. DISCLOSURES**

The Company had complied with all the regulations of Stock Exchange(s), SEBI or other statutory authorities on matters related to capital markets.

## 6. MEANS OF COMMUNICATION

The Unaudited quarterly and Audited Annual Financial results are sent to the BSE Ltd., where the shares of the Company are listed.

- a. The quarterly, half yearly and annual results of the Company's financial performance were published in newspapers viz. 'Financial Express' in English and 'Makkal Kural' in Tamil and displayed on Company's website, www.neelamalaiagro.com.
- b. The Annual Report is circulated to all members, and is also available on the Company's website.
- c. The Annual Report of the Company for the financial year 2021-2022 is being e-mailed to the members whose e-mail addresses are available with the depositories or are obtained directly from the members, as per section 136 of the Companies Act, 2013 and Rule 11 of the Company (Accounts) Rules, 2014 and Regulation 36 of SEBI (LODR) Regulations, 2015. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.

## GENERAL SHAREHOLDER INFORMATION

(i)	Annual General Meeting -Date and Time -Mode		August 26, 2022 at 11 a.m. Video Conference/ Other Audio-Visual Means
(ii)	Financial Calendar (Tentative)	Unaudited Results for the quarter ending 30.06.2022 quarter ending 30.09.2022 quarter ending 31.12.2022 Audited Financial Results for the year ending 31.03.2023	Before 15.09.2022 Before 14.11.2022 Before 14.02.2023  Before 30.05.2023
(iii)	Dates of Book Closure		20.08.2022 to 26.08.2022 (both days inclusive)
(iv)	Dividend Payment Date		Within 30 days from the date of AGM
(v)	Listing on Stock Exchanges	BSE Ltd  Floor 25 P. J. Towers Dalal Street, Mumbai - 400 001 Maharashtra	The Annual Listing Fees prescribed has been paid to BSE Ltd. till March 31, 2023.
(vi)	a) Stock Code b) Demat ISIN Number in CDSL & NSDL for equity shares	BSE Ltd	NEAGI  INE 605D01012

## STOCK MARKET DATA - BSE LTD

Month	High Price	Low Price
Apr-21	1,620.90	1,620.90
May-21	1,829.00	1,541.00
Jun-21	3,034.00	1,920.45
Jul-21	2,972.00	2,500.00
Aug-21	3,929.00	2,378.00
Sep-21	3,790.00	3,009.00
Oct-21	3,850.00	3,252.00
Nov-21	3,619.00	3,141.00
Dec-21	4,284.95	3,400.00
Jan-22	4,250.00	3,600.05
Feb-22	3,980.00	3,403.00
Mar-22	4,050.00	3,301.50

## 7. REGISTRAR AND SHARE TRANSFER AGENTS

M/s. CAMEO CORPORATE SERVICES LIMITED

Subramanian Building, No.1,

Club House Road

Chennai – 600 002.

## 8. SHARE TRANSFER SYSTEM

The Company's shares are traded in the BSE Ltd in demat mode. The transmission of physical shares of the company are now handled by our Registrar and Share Transfer Agent M/s Cameo Corporate Services Limited, Chennai, to whom communications regarding share transmission and dematerialization requests must be addressed. All matters connected with transmission, dividend payment are handled by the share transfer agent.

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 amended Regulation 40 of SEBI (LODR) Regulations, 2015 pursuant to which after 31st March 2019 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode.

### Nomination facility for shareholding

As per the provisions of Section 72 of the Companies Act 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH- 13), from the Share Department of the Company/ Cameo Corporate Services Limited. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

### Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transposition, transmission and issue of duplicate share certificates.

Members attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated April 20, 2018, pursuant to which the Company has written to shareholders holding shares in physical form, requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode. Those shareholders, who are yet to respond to the Company's request in this regard, are once again requested to take action in the matter at the earliest.

### a. Distribution of Shareholding as on 31.03.2022

No. of Equity Shares	Shareholders		No. of Equity Shares	
	Number	%	Number	%
1 – 500	1043	96.2177	93534	15.0361
501 – 1000	31	2.8597	24612	3.9565
1001 - 2000	2	0.1845	3168	0.5092
2001 – 3000	1	0.0922	2300	0.3697
3001 – 4000	1	0.0922	3600	0.5787
4001 – 5000	1	0.0922	4266	0.6857
5001 – 10000	2	0.1845	16269	2.6153
10001 & Above	3	0.2767	474313	76.2485

## b. Pattern of Shareholding as on 31.03.2022

Category	No. of Equity Shares	Percentage
Resident	1,30,437	20.9684
NRI	120	0.0192
Corporate Body	32,161	5.1700
Foreign National	200	0.0321
Trusts	1,000	0.1607
Bank	4,250	0.6832
IEPF	39,276	6.3138
Promoters	4,14,618	66.6521
Total	6,22,062	100.0000

## c. Dematerialisation of Shares

The shares of this Company are partially in demat form.

- The shares of the Company are available for dematerialisation (holding of shares in electronic form) on the depositories viz. CDSL and NSDL.
- Equity Shares of the company are to be compulsorily traded in the dematerialised form. As on 31st March 2022, 5,44,428 Equity Shares comprising of 87.52% of paid-up capital of the company, have been dematerialised by the investors and bulk of transfers take place in the demat segment.
- Outstanding Stock

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

## 10. PRODUCTION CENTRES

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

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

Telephone : 0484 - 2315312

Fax : 0484 - 2312541

E mail : secneelamalai@avtplantations.co.in

Website : www.neelamalaiagro.com

### a. Address for correspondence

Investor correspondence may be addressed to any of the following:

Corporate Office	Registrar & Share Transfer Agents
<b>Mr. S.Lakshmi Narasimhan</b> Company Secretary & Compliance Officer Neelamalai Agro Industries Limited 60, Rukmani Lakshmipathi Salai Egmore, Chennai - 600 008 Tele :(O) +91 44 28583463 / (D) +91 44 2852 7775	<b>Contact Person Ms. D.Sofia</b> M/s. Cameo Corporate Services Ltd "Subramanian Building", No.1 Club House Road, Chennai-600 002 Tel: 044 28461173 / 40020733
Website : www.neelamalaiagro.com E-mail : secneelamalai@avtplantations.co.in / narasimhan.l@avtplantations.co.in	Website : www.online.cameoindia.com E-mail : sofia@cameoindia.com

- b. Proposed Final Dividend: Rs. 20/- (Rupees Twenty only) per share (200%) on face value of Rs.10/- each.
- c. Electronic Clearing Service (ECS): The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants.
- d. Bank Details for electronic shareholding: Members are requested to notify their depository participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.
- e. Furnish copies of Permanent Account Number (PAN): The members are requested to furnish their PAN which will help us to strengthen the compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002.
- f. Demat ISIN allotted to Equity Shares in CDSL and NSDL is INE 605D01012
- g. Corporate Identity Number (CIN): L01117TZ1943PLC000117
- h. Stock Code: NEAGI

#### **CREDIT RATING**

The Company hasn't obtained any credit rating from the agencies.

## **12. OTHER DISCLOSURES**

### **a. Related Party Transactions:**

During the year, there were no material related party transactions i.e. transactions of the Company of a material nature with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the Company at large. The details of Related Party Transactions are given in Annexure to the Directors Report.

### **b. Compliances:**

The Company had complied with all the regulations of Stock Exchange(s), SEBI or other statutory authorities on matters related to capital markets.

### **c. Vigil Mechanism or Whistle-Blower Policy:**

Pursuant to Section 177 of the Companies Act, 2013 and the Regulation 22 of SEBI (LODR) Regulation, 2015, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company [www.neelamalaiagro.com](http://www.neelamalaiagro.com).

### **d. Policy on dealing with related party transactions:**

The policy on dealing with related party transactions is provided in the company's website [www.neelamalaiagro.com](http://www.neelamalaiagro.com)



**e. Remuneration paid to Statutory Auditors**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

	Rs. in Lakhs
Payment to Statutory Auditors FY 2021-22	
Audit Fees	Rs.7.00
Tax Audit Fees	Nil
Other Services	Nil
Reimbursement of expenses	Nil
Travelling and other expenses	0.18
Total	Rs. 7.18

**f. Certificate from company secretary in practice**

The Company has obtained a certificate from M/s. V Suresh Associates, Practising Company Secretaries, Chennai that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

**g. Recommendation of Committee**

All the recommendations of the committees are accepted by the Board

- h. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in Directors' Report.

**i. Risk Management:**

The Company had since 2004-2005, undertaken the exercise of identifying risks being faced by the company and ways of managing such risks. Risk minimization is being built up in the operating systems. Risks are periodically reviewed at both Audit committee level and Board of Directors of the company.

**j. Meeting of Independent Directors:**

The company's Independent Directors met on 31<sup>st</sup> March, 2022. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

**k. Prohibition of Insider Trading:**

In compliance with the provisions of SEBI (Prohibition of Insider Trading Regulations) 2015, as amended from time to time, to preserve the confidentiality and prevent misuse of unpublished price sensitive information (UPSI)/Leak of UPSI, the Company has adopted a Code of Conduct for Insider Trading for prohibition of Insider trading which was revised and approved by Board at their meeting held on 14<sup>th</sup> February 2019, for Promoters, Member of Promoter group, directors, Designated Person/ Employees, their immediate relatives, designated persons of material subsidiary Company and substantial shareholders in the listed Companies.

All the Promoters, Directors, designated employees, connected persons who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window shall be closed from the end of every quarter till 48 hours after the declaration of financial results & in case of any other events, it shall be closed inter-alia for twelve (12) days prior to Board Meeting. This policy also provides for periodical disclosures from the designated person as well as pre-clearances of transactions by such persons.

**l. CEO and CFO Certification:**

Certificate obtained from CEO and CFO, in terms of Regulation 17 of SEBI (LODR) Regulations, 2015, was placed before the Board of Directors of the Company in its meeting held on 30.05.2022.

- m. Management Discussion and Analysis forms part of the Directors Report.

**n. Certification of Corporate Governance Report:**

Certificate from M/s.V. Suresh Associates, Practising Company Secretaries, Chennai having Peer Review Cert. No. 667/2020 on Corporate Governance, as required by Regulation 34 of SEBI (LODR), Regulations, 2015, is incorporated in this Annual Report.

### 13. UNCLAIMED DIVIDEND

The Company has transferred the unpaid or unclaimed Dividend for the financial year 2013-2014 and Interim Dividend for the financial year 2014-2015 to the Investor Education & Protection Fund (IEPF) constituted by the Central Government. Final Dividend declared for the financial year 2014-2015 and First Interim Dividend for the financial year 2015-2016 remaining unpaid/unclaimed over a period of 7 years is liable 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.

#### **Transfer of the 'Shares' into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been claimed for seven consecutive years).**

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred 606 equity shares to the IEPF account during the financial year.

Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF With effect from September 7, 2016, Investors/Depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and/or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/guidelines stated below:

- a. Download the Form IEPF-5 from the website of IEPF (<http://www.iepf.gov.in>) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/instruction kit along-with the e-form carefully before filling the form.
- b. After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
- c. Take a print out of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form.
- d. Submit an indemnity bond in original, copy of the acknowledgement and self-attested copy of e-form along with other documents as mentioned in the Form No. IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority"/" Claim for shares from IEPF" as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.
- e. Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

The Nodal Officer of the Company for IEPF Refund Process is Mr.S.Lakshmi Narasimhan whose e-mail id is [narasimhan.l@avtplantations.co.in](mailto:narasimhan.l@avtplantations.co.in).

#### **DISCRETIONARY REQUIREMENTS**

The Non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

##### **Audit Qualifications:**

The financial statements of the Company are unqualified. There were some delay in remitting statutory dues in time due to the restrictions which were in existence due to Covid 19.

##### **Reporting of internal auditor:**

The internal audit reports are placed before the Audit Committee.

#### **Declaration under Regulation 34(3) read with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct.**

In accordance with Regulation 34(3) read with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial Year ended 31st March 2022.

For Neelamalai Agro Industries Ltd.,

SHANTHI THOMAS  
Executive Director  
DIN : 00567935

Chennai  
30.05.2022

ANNEXURE - 6

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER SECURITIES AND EXCHANGE BOARD OF INDIA  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To the Members of  
Neelamalai Agro Industries Limited

We have examined the compliance of Corporate Governance by Neelamalai Agro Industries Limited, for the year ended 31<sup>st</sup> March 2022, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our 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 our opinion and to the best of our information and according to the explanations given to us, and considering the relaxations granted by the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We 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.

Place : Chennai  
Date : 23.05.2022

For V. Suresh Associates  
Practicing Company Secretaries  
V. Suresh  
Senior Partner  
FCS No. 2969  
C.P. No. 6032  
Peer Review Cert. No. : 667/2020  
UDIN: F002969D000367377

**Form AOC - 2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2021-2022.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:  
(Details are given in Annexure 7A)

For and on behalf of the Board of Directors

Chennai  
30.05.2022

**AJIT THOMAS**  
Chairman  
DIN : 00018691

**ANNEXURE 7 A**

**FORM AOC - 2**

Name of the Company	Nature of Relationship	Nature of Transaction	Duration of Transactions	Amount (Rs.)	Salient Terms	Date of Approval by the Board	Amount Paid as Advance if any
A. V. Thomas & Co. Ltd.	Common Control through constitution of Board / Share holding	Sale of Tea	On going transactions	1,95,26,989	Market Rate	Not Applicable	Nil
A. V. Thomas & Co. Ltd.	Common Control through constitution of Board / Share holding	Rent (Tea Storage Godwon)	On going transactions	1,55,826	Market Rate	Not Applicable	Nil
Midland Corporate Advisory Service Pvt. Ltd.	Common Control through constitution of Board / Share holding	Professional Charges	On going transactions	6,00,000	Market Rate	Not Applicable	Nil
AVT Natural Products Ltd.	Common Control through constitution of Board / Share holding	Tea / Tea Waste Sale	On going transactions	1,21,10,000	Market Rate	Not Applicable	Nil

# INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Neelamalai Agro Industries Limited (“the Company”), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of Profit and Loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<p><b>Accounting for Government Grants</b></p> <p>The company is entitled to apply for and seek support from Tea Board towards Replanting expenditure, Rejuvenation Expenditure and also in respect of Orthodox manufacture. Further, the company is also entitled for Remissions of Duties and Taxes on Exported Products on exports. There are uncertainties attached to these government grants in respect of the timing and quantum of approvals based on the processing of the applications.</p>	<p><b>Principal audit procedures:</b></p> <ul style="list-style-type: none"> <li>• We have evaluated the company's process of determining the point of reasonable certainty in recognition of the grants, for different categories of grants and the robustness with which this process is consistently applied.</li> <li>• Our review also included the estimation process in terms of the grant amounts recorded as receivable and the process of re-evaluating the same at each period end</li> <li>• We also reviewed the disclosures made in the financial statements in terms of the policy and the treatment of the grants in terms of capital grants and revenue grants</li> </ul>
2.	<p><b>Unobservable or interpolated inputs used for the valuation of certain level 3 investments</b></p> <p>Given the ongoing market volatility and macroeconomic uncertainty, investment valuation is an area of inherent risk. The risk is not uniform for all investment types and is greatest for unquoted investments where the investments are hard to value because quoted prices are not readily available. The Company's accounting policies in respect of financial assets are included in the Company's accounting policies while the disclosures are included in Note No. 41 to the standalone financial statements.</p>	<p><b>Principal audit procedures:</b></p> <ul style="list-style-type: none"> <li>• We assessed both the methodology and assumptions used by management in the calculation of the year end values of the investments as well as testing the governance controls that the Directors have in place to monitor these processes.</li> <li>• The testing included performing, amongst others, the following procedures: <ul style="list-style-type: none"> <li>○ Evaluating the methodology and assumptions in the valuation models;</li> <li>○ Comparing the assumptions used against appropriate benchmarks and enquiring into significant differences;</li> <li>○ Wherever available, recent transactions in the unquoted investments are appropriately considered.</li> </ul> </li> </ul>

# INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

## **Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis Report but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Management and Those Charged with Governance for Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

# INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  2. As required by Section 143(3) of the Act, we report that:
    - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
    - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.
    - (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
    - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 48(ii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
    - (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 48(ii) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



## INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

- (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement; and
- v. As stated in Note 50 to the standalone financial statements,
- a. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- b. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.
- c. The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

3. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**T V Balasubramanian**  
Partner

Chennai  
30.05.2022

Membership No.027251  
UDIN: 22027251AJXKIY8332

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

**Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Neelamalai Agro Industries Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2022.**

- (i) (a) In respect of property, plant and equipment (PPE) and intangible assets :
- (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets as of date and hence question of whether the Company maintained proper records showing full particulars of intangible assets does not arise and accordingly paragraph 3 (i)(a)(B) is not applicable.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the

programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties disclosed in the financial statements are held in the name of the Company as at Balance Sheet date.
- (d) The Company has not revalued its Property, Plant and Equipment during the year and hence paragraph 3 (i)(d) is not applicable. is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) The inventory, except stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion,

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

the frequency of such verification is reasonable. In our opinion, the coverage and procedure of such verification by the management is appropriate. For stocks lying with third parties at the year-end, written confirmations have been obtained or subsequent utilization verified. The discrepancies noticed on verification between the physical stocks and the book records are not 10% or more in the aggregate for each class of inventory.

- b) Based on our audit procedures & according to the information and explanation given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The insignificant differences noticed between the quarterly return of inventories and book debts submitted to the banks and the books of account, did not affect the drawing power and the required security cover computed in accordance with the sanctioned terms.
- (iii) Based on our audit procedures & according to the information and explanation given to us, the Company has made investments into companies and mutual funds as part of its investment portfolio. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly,
  - (a) In the absence of any loans, guarantee, security given during the year, this sub-clause is not applicable
  - (b) Based on our audit procedures & according to the information and explanation given to us, the investments made are not prejudicial to the Company's interests.
  - (c) In the absence of any loans and advances in the nature of loans given during the year, the question of whether the schedule of repayment of principal and payment of interest has been stipulated and repayments / receipts are regular does not arise and accordingly this sub-clause is not applicable.
  - (d) In the absence of any loans or advances in the nature of loans outstanding as at the year end, the question of whether there are amounts overdue for more than ninety days as at the balance sheet date and reasonable steps have been taken by the Company for recovery of the principal and interest does not arise and accordingly this sub-clause is not applicable
  - (e) In the absence of any loans or advances in the nature of loans fallen due during the year and hence the question of whether the loan has been renewed or extended or fresh loans granted to settle the overdue of existing loan given to the same parties does not arise and accordingly this sub-clause is not applicable

(f) In the absence of any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, and hence the question of aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause 76 of section 2 of the Companies Act, 2013 does not arise and accordingly, this sub-clause is not applicable

- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act with respect of making investments. The company has not granted loans, provided guarantees and securities, as applicable.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company as specified under sub section (1) of section 148 of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax (GST), provident fund, employees' state insurance, income-tax, custom duty, cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Goods and Services Tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no statutory dues referred to in sub-clause (a) as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Name of dues	Amount demanded (Rs. in Lakhs)	Amount paid under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax demands	4.43	Nil	AY 2012-13 and 2013-14	CIT (Appeals)

- (viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.

- (ix) (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.

- (b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.

- (c) According to the information and explanations given to us and the records of the Company examined by us, the company has no term loans. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that the company has not used any short term funds raised for long term purposes during the year.

- (e) According to the information and explanations given to us and the records of the Company examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable to the Company.

- (f) According to the information and explanations given to us and the records of the Company examined by us, the Company has not raised any loans during the year on pledge of securities held in

its joint venture or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable to the Company.

- (x) (a) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year and hence the question of whether money raised were applied for the purposes for which those are raised does not arise. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the question of whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised does not arise. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government

- (c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were received during the year by the Company.

- (xii) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934.

- (xiii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

- (xiv) (a) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

- (b) We have considered the reports of the Internal Auditors for the period under audit

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

- (xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).
- (b) Based on our audit procedures and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (d) Based on our audit procedures and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (e) Based on our audit procedures and according to the information and explanations given to us, there are no Core Investment Companies (CICs) in the Group (basis definition of "Companies in the Group" as per Core Investment Companies (Reserve Bank) Directions, 2016) as at the end of the reporting period.
- (viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (x) On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report of the Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xi) Based on our audit procedures and according to the information and explanations given to us, the company is not required to spend the amount for corporate social responsibilities and Accordingly, paragraph 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**T V Balasubramanian**  
Partner

Chennai  
30.05.2022

Membership No.027251  
UDIN: 22027251AJXKIY8332

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

**Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with reference to standalone financial statements**

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Neelamalai Agro Industries Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**For PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

**T V Balasubramanian**

Partner

Chennai

30.05.2022

Membership No.027251

UDIN: 22027251AJXKIY8332

# STANDALONE BALANCE SHEET

*As at 31<sup>st</sup> March 2022*

Particulars	Note No.	As at <b>31st March 2022</b>	As at 31st March 2021
All amounts are in INR Lakhs, unless otherwise stated			
<b>Assets</b>			
<i>Non-current Assets</i>			
Property, plant and equipment	4	324.53	552.23
Capital work in progress	4	118.10	116.08
Investment property	5	-	-
Financial assets			
i) Investments	6	1,708.61	1,542.64
ii) Loans	7	0.85	3.48
iii) Other financial assets	8	14.51	17.56
Deferred tax assets (net)	9	55.39	32.30
<b>Total non-current assets</b>		<b><u>2,221.99</u></b>	<b><u>2,264.29</u></b>
<i>Current Assets</i>			
Inventories	11	463.10	381.48
Biological assets other than bearer plants	12	19.98	40.39
Financial assets			
i) Investments	13	2,820.53	2,764.80
ii) Trade receivables	14	182.41	98.89
iii) Cash and cash equivalents	15	18.57	30.97
iv) Bank balances other than cash and cash equivalents	15	88.44	96.75
v) Loans	7	0.68	1.36
vi) Other financial assets	8	20.50	20.50
Other current assets	10	115.71	73.53
Assets held for sale	16	251.39	-
<b>Total current assets</b>		<b><u>3,981.31</u></b>	<b><u>3,508.67</u></b>
<b>Total assets</b>		<b><u>6,203.30</u></b>	<b><u>5,772.96</u></b>
<i>Equity</i>			
Equity Share Capital	17	62.21	62.21
Other Equity	18	5,060.73	4,873.60
<b>Total equity</b>		<b><u>5,122.94</u></b>	<b><u>4,935.81</u></b>
<b>Non-current liabilities</b>			
Provisions	19	5.49	4.53
<b>Total non-current liabilities</b>		<b><u>5.49</u></b>	<b><u>4.53</u></b>
<i>Current Liabilities</i>			
Financial Liabilities			
i) Trade payables	20		
Total outstanding dues of micro and small enterprises		11.12	13.50
Total outstanding dues of creditors other than micro and small enterprises		116.44	148.53
ii) Other financial liabilities	21	226.87	244.06
Other current liabilities	22	289.00	42.51
Provisions	19	422.73	337.35
Liabilities for current tax (net)		8.71	46.67
<b>Total current liabilities</b>		<b><u>1,074.87</u></b>	<b><u>832.62</u></b>
<b>Total liabilities</b>		<b><u>1080.36</u></b>	<b><u>837.15</u></b>
<b>Total equity and liabilities</b>		<b><u>6,203.30</u></b>	<b><u>5,772.96</u></b>
Summary of significant accounting policies	3		
See accompanying notes to the standalone financial statements			
As per our Report of even date attached		For and on behalf of the Board of Directors	
For PKF Sridhar & Santhanam LLP Chartered Accountants Firm's Registration No. 003990S/S200018		Shanthi Thomas Executive Director DIN : 00567935	Ajit Thomas Chairman DIN : 00018691
T. V. Balasubramanian Partner		Deepak G. Prabhu Chief Financial Officer	S. Lakshmi Narasimhan Company Secretary Membership No. A35541
Place : Chennai	Membership No. 027251		
Date : 30.05.2022	UDIN : 22027251AJXKIY8332		

# STANDALONE STATEMENT OF PROFIT AND LOSS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated			
Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
I Revenue From Operations	23	2,956.76	2,945.02
II Other Income	24	779.54	799.63
<b>III Total Income (I+II)</b>		<b><u>3,736.30</u></b>	<b><u>3,744.65</u></b>
<b>IV EXPENSES</b>			
Cost of materials consumed	25	530.73	485.53
Purchases of stock-in-trade	26	0.83	0.97
Change in inventories	27	(94.14)	313.36
(Gain) / loss on transformation of biological asset	12	20.41	(31.05)
Employee benefits expense	28	1,498.09	1,329.42
Finance costs	29	2.76	7.11
Depreciation expense	30	74.55	66.48
Other expenses	31	1,101.36	782.63
<b>Total expenses (IV)</b>		<b><u>3,134.59</u></b>	<b><u>2,954.45</u></b>
V Profit before exceptional items and tax (III - IV)		601.71	790.20
VI Exceptional Items	46	-	51.96
<b>VII Profit before tax (V - VI)</b>		<b>601.71</b>	<b>842.16</b>
<b>VIII TAX EXPENSES :</b>	33		
(1) Current tax		127.10	158.07
(2) Deferred tax		(9.20)	20.92
<b>IX Profit for the year (VII - VIII)</b>		<b><u>483.81</u></b>	<b><u>663.17</u></b>
<b>X Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(i) Changes in fair value of FVOCI investments		(46.85)	--
(ii) Remeasurement of the post-employment benefit obligations		(14.90)	(11.05)
(iii) Income tax relating to items that will not be reclassified to profit or loss		13.89	3.07
<b>Other comprehensive Income for the year, net of tax</b>		<b><u>(47.86)</u></b>	<b><u>(7.98)</u></b>
<b>XI Total Comprehensive Income for the year (IX - X)</b>		<b>435.95</b>	<b>655.19</b>
<b>XII Earnings per equity share : (Face value of Rs.10/- each)</b>			
(1) Basic	34	77.78	105.74
(2) Diluted	34	77.78	105.74
<hr/>			
Summary of significant accounting policies	3		
See accompanying notes to the standalone financial statements			
As per our Report of even date attached		For and on behalf of the Board of Directors	
For PKF Sridhar & Santhanam LLP Chartered Accountants Firm's Registration No. 003990S/S200018		Shanthi Thomas Executive Director DIN : 00567935	Ajit Thomas Chairman DIN : 00018691
T. V. Balasubramanian Partner		Deepak G. Prabhu Chief Financial Officer	S. Lakshmi Narasimhan Company Secretary Membership No. A35541
Place : Chennai	Membership No. 027251		
Date : 30.05.2022	UDIN : 22027251AJXKIY8332		

## STANDALONE STATEMENT OF CASH FLOW

*For the year ended 31<sup>st</sup> March 2022*

	Year ended 31 March 2022	Year ended 31 March 2021
All amounts are in INR Lakhs, unless otherwise stated		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	601.71	842.16
Adjustments for:		
Depreciation and amortisation	74.55	66.48
(Profit) / Loss on sale of investments (net)	(52.48)	(8.71)
(Profit) / Loss on sale of assets (net)	(0.54)	(0.53)
Profit on sale of investment property	---	(51.96)
Fair value gains / (Losses) recognised on investments	(109.13)	(230.34)
Fair value changes to Biological assets	20.41	(31.05)
Interest Income	(0.83)	(1.34)
Dividend Income	(615.91)	(557.39)
Finance Cost	2.76	7.11
Unrealised net foreign exchange difference	0.44	(0.46)
<b>Operating profit before working capital changes</b>	<b>(79.02)</b>	<b>33.97</b>
<b>Adjustments for working capital changes:</b>		
(Increase) / Decrease in inventories	(81.62)	271.41
(Increase) / Decrease in loans	3.31	1.43
(Increase) / Decrease in other current assets	(42.18)	72.29
(Increase) / Decrease in other non-current assets	---	(10.22)
(Increase) / Decrease in non-current financial assets	3.05	0.96
(Increase) / Decrease in current financial assets	---	23.18
(Increase) / Decrease in trade and other receivables	(83.96)	(4.11)
Increase / (Decrease) in other financial liabilities	(17.19)	9.12
Increase / (Decrease) in other liabilities	(8.51)	16.68
Increase / (Decrease) in trade payables	(34.47)	90.05
Increase / (Decrease) in provisions	71.44	68.63
	<b>(269.15)</b>	<b>573.39</b>
Net income tax (paid) / Refunded (net)	(165.06)	(105.82)
<b>Net cash (used) / generated in operating activities (A)</b>	<b>(434.21)</b>	<b>467.57</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant & equipment (including capital work in progress)	(100.30)	(76.18)
Proceeds from disposal of property, plant & equipment	0.58	3.81
Proceed from sale of investment property	---	321.78
Advance received for sale of asset	255.00	---
Interest received during the year	0.83	1.34
Dividend received on investment in associates and joint ventures	613.31	553.44
Dividend received on other non-current investment	0.04	0.02
Dividend received on current investment	2.56	3.93
Purchase of non-current investments	(212.82)	(37.79)
(Investment in) / Proceeds from Shares & Mutual Funds (Net)	105.88	(1,325.40)
(Investment in) / Proceeds from bank balances not considered as cash and cash equivalents	8.31	19.95
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>673.39</b>	<b>(535.10)</b>



## STANDALONE STATEMENT OF CASH FLOW

For the year ended 31<sup>st</sup> March 2022

	All amounts are in INR Lakhs, unless otherwise stated	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>C. CASH FLOW FROM FINANCING ACTIVITIES*</b>		
Interest Paid	(2.76)	(7.11)
Dividend Paid including Dividend Distribution Tax	(248.82)	(62.74)
Buy-back of equity shares	-	(84.61)
Buy-back costs including tax	-	(50.18)
<b>Net cash used in financing activities (C)</b>	<b>(251.58)</b>	<b>(204.64)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(12.40)</b>	<b>(272.17)</b>
Cash and cash equivalents at the beginning of the year	30.97	303.14
<b>Cash and cash equivalents at the end of the year</b>	<b>18.57</b>	<b>30.97</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.24	0.46
Balances with bank in current account	17.93	30.51
In deposit account	0.40	-
	<b>18.57</b>	<b>30.97</b>

\* Refer foot note for Net Debt Reconciliation.

### Notes:

- 1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) Statement.
- 2 The figures in brackets represent cash outflow.

See accompanying notes to the standalone financial statements

As per our Report of even date attached  
For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No. 003990S/S200018  
**T. V. Balasubramanian**  
Partner  
Place : Chennai  
Date : 30.05.2022

Membership No. 027251  
UDIN : 22027251AJXKIY8332

For and on behalf of the Board of Directors

**Shanthi Thomas**  
Executive Director  
DIN : 00567935

**Deepak G. Prabhu**  
Chief Financial Officer

**Ajit Thomas**  
Chairman  
DIN : 00018691

**S. Lakshmi Narasimhan**  
Company Secretary  
Membership No. A35541

## STANDALONE STATEMENT OF NET DEBT RECONCILIATION

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

### \*Net debt reconciliation

Particulars	31-Mar-22	31-Mar-21
Net debt		
Cash and cash equivalents	18.57	30.97
Current Investment	2,820.53	2,764.80
Current Borrowings	-	-
<b>Net (debt)/ Cash &amp; Cash Equivalents</b>	<b>2,839.10</b>	<b>2,795.77</b>

	Accrued during the Year		Paid during the Year	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Finance Cost</b>				
Interest on Short term borrowings	1.65	1.26	1.65	1.26
<b>Total</b>	<b>1.65</b>	<b>1.26</b>	<b>1.65</b>	<b>1.26</b>

	Other Assets		Borrowings	
	Cash and cash equivalents	Current Investments	Short Term Borrowings	Total Net borrowings
<b>Net (debt)/ Cash &amp; Cash Equivalents as at 1st April 2020</b>	<b>303.14</b>	<b>1,200.35</b>	-	<b>1,503.49</b>
Cash Flows	(272.17)	1,325.40	-	1,053.23
Unrealised fair value gains on current investments	-	230.34	-	230.34
Realised gain on investment	-	8.71	-	8.71
Interest expense	-	-	(1.26)	(1.26)
Interest paid	-	-	1.26	1.26
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2021</b>	<b>30.97</b>	<b>2,764.80</b>	-	<b>2,795.77</b>
Cash Flows	(12.40)	(105.88)	-	(118.28)
Unrealised fair value gains on current investments	-	109.13	-	109.13
Realised gain on investment	-	52.48	-	52.48
Interest expense	-	-	(1.65)	(1.65)
Interest paid	-	-	1.65	1.65
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2022</b>	<b>18.57</b>	<b>2,820.53</b>	-	<b>2,839.10</b>

## STANDALONE STATEMENT OF CHANGES IN EQUITY

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

### A. Equity Share Capital

	Amount
<b>Balance as at 1st April 2020</b>	<b>62.74</b>
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	62.74
Buyback of equity shares during the year [Refer Note no. 44]	(0.53)
<b>Balance as at 1st April 2021</b>	<b>62.21</b>
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	62.21
Changes in equity share capital due to prior period errors	-
<b>Restated balance as at April 1, 2021</b>	<b>62.21</b>
Changes in equity share capital during the year	-
<b>Balance as at 31st March 2022</b>	<b>62.21</b>

## STANDALONE STATEMENT OF CHANGES IN EQUITY

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

### B. Other Equity

	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	FVOCI - Equity Investments	
<b>Balance as at 1st April 2020</b>	27.27	3,511.41	930.73	(54.00)	4,415.41
Changes in accounting policy or prior period items	-	-	-	-	-
Restated balance as at 1st April 2020	27.27	3,511.41	930.73	(54.00)	4,415.41
Profit for the year	-	-	663.17	-	663.17
Remeasurement of the post-employment benefit obligations and tax thereon			(7.98)		(7.98)
Other comprehensive income for the year and tax thereon	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	655.19	-	655.19
Transactions with owners in their capacity as owners:					
- Amount utilised for buy-back of equity shares [Refer Note no. 44]	-	-	(84.08)	-	(84.08)
- Transferred from securities premium to capital redemption reserve on buy-back of equity shares [Refer Note no 44]	0.53	-	(0.53)	-	-
- Transaction costs related to buy-back of equity shares [Refer Note no. 44]	-	-	(50.18)	-	(50.18)
Transfer to General Reserve	-	500.00	(500.00)	-	-
Dividends	-	-	(62.74)	-	(62.74)
<b>Balance as at 1st April 2021</b>	27.80	4,011.41	888.39	(54.00)	4,873.60
Changes in accounting policy or prior period items	-	-	-	-	-
Restated balance as at 1st April 2021	27.80	4,011.41	888.39	(54.00)	4,873.60
Profit for the year	-	-	483.81	-	483.81
Remeasurement of the post-employment benefit obligations and tax thereon			(10.75)		(10.75)
Other comprehensive income for the year and tax thereon	-	-		(37.11)	(37.11)
<b>Total comprehensive income for the year</b>	-	-	473.06	(37.11)	435.95
Transfer to General Reserve	-	-	-	-	-
Dividends	-	-	(248.82)	-	(248.82)
<b>Balance as at 31st March 2022</b>	27.80	4,011.41	1,112.63	(91.11)	5,060.73

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.-

As per our Report of even date attached

For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Registration No. 003990S/S200018

**T. V. Balasubramanian**  
Partner

Place : Chennai  
Date : 30.05.2022

Membership No. 027251  
UDIN : 22027251AJXKIIY8332

For and on behalf of the Board of Directors

**Shanthi Thomas**  
Executive Director  
DIN : 00567935

**Deepak G. Prabhu**  
Chief Financial Officer

**Ajit Thomas**  
Chairman  
DIN : 00018691

**S. Lakshmi Narasimhan**  
Company Secretary  
Membership No. A35541

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES

### 1. GENERAL INFORMATION

Neelamalai Agro Industries Limited was incorporated on 21st April 1943 under the Indian Companies Act 1913. The Company is in Tea Plantation Business of cultivating Tea, its manufacturing and sale, both domestic and export. Its Registered Office and Principal place of business is at Katary Estate, Katary Post Coonor, Nilgiris, Tamil Nadu – 643213.

The Company is listed on the Bombay Stock Exchange.

The standalone financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 30, 2022.

### 2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) issued under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and guidelines issued by the Securities and Exchange Board of India (SEBI), under the historical cost convention on the accrual basis except for certain items which are measured at fair values.

The accounting policies as set out below have been applied consistently except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in Division II of the Schedule III to the Companies Act 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

#### 2.1 CRITICAL JUDGEMENTS & ESTIMATES IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumptions having the most significant effect on the amounts recognized in financial statements are as follows:

- **Estimation of uncertainties relating to the global health pandemic from COVID-19**

On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple ‘lock-downs’, including some period in the current financial year.

The economy has been impacted during the previous and current year on account of COVID-19.

The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its investments, financial and non-financial assets and impact on revenues and costs. The Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets.

- **Useful lives of property, plant and equipment and intangible assets**

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Taxation:**

Significant judgement is involved in determining the tax liability for the company which includes interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Also, there are many transactions and calculation during the ordinary course of business for which the ultimate tax determination is uncertain. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss. Further judgement is involved in determining the deferred tax position on the balance sheet date.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### • Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

### • Provisions & Contingencies:

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

### • Fair Value of financial instruments and biological assets:

The fair value of financial instruments that are unlisted and not traded in active market and biological assets (including agricultural produce) is determined at value assessed based on recent transaction entered into with third party or based on the valuation done by the external appraisers. Where it is not possible to determine a reliable estimate of fair value, the carrying value is determined based on acquisition cost.

## 2.2 ACCOUNTING STANDARDS NOTIFIED BUT EFFECTIVE AT A LATER DATE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

### **Ind AS 16 – Proceeds before intended use**

The amendment clarifies that an entity shall deduct from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.

### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

### **Ind AS 106 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company does not expect these amendments to have any significant impact in its financial statements

## 2.3 Functional and Presentation Currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The Financial Statements are presented in Indian Rupees which is company's presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Lakhs with two decimals except where otherwise indicated.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### 3 Summary of significant accounting policies

#### 3.1 PROPERTY, PLANT AND EQUIPMENT:

##### a. Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss based on cost model. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost also includes taxes and duties for which credit is not available, freight and other direct or allocated expenses during construction period, net of any income earned.

Bearer Plants are recognised under property, plant & equipment on the fulfilment of the following conditions:

- It is used in the production or supply of the agricultural produce.
- Is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants are recognised at historical costs less depreciation. Cost of tea bushes includes expenditure incurred for planting and maintenance of the tea bushes, till the tea bushes reach commercial tea leaves bearing ability and the cost of the tea bushes/ seeds replanted. Based on the recommendation of the experts the non-bearing period of the tea bushes has been determined at 5 – 7 years from the year of planation of the tea bushes.

Replanted tea bushes are considered ready for their intended use from the beginning of the fifth - seventh financial year following the financial year in which the planting was undertaken. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Costs of rejuvenation pruning are recognised in the statement of profit and loss in the period in which the costs are incurred.

##### Subsequent costs

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. The cost and related accumulated depreciation are eliminated from the financial statements upon sale / retirement or designation as assets held for sale, of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

##### b. Depreciation:

Tangible property, plant & equipment are depreciated on written down method adopting the useful life & residual value as specified in Schedule II of the Companies Act 2013, except in respect of Tea Bushes and Farm Field Equipments for which useful life has been determined based on technical evaluation by the management. In respect of additions to /deletions from the property, plant and equipment, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

Useful life adopted based on technical evaluation are as under:

Class of property, plant and equipment	Useful life
Tea Bushes	50 years
Farm Field Equipments	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### 3.2 IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, the company reviews the carrying amounts of its non-financial asset to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flow are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

### 3.3 INVENTORIES

Inventories are valued as under:

#### a. Raw materials, Packing materials, Stores & Spares:

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis. The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

#### b. Finished Goods

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis.

Cost includes direct material cost, direct labour cost, taxes and duties for which credit is not available, freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

Finished goods comprising agricultural produce that the Company has harvested from its biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of the purchased inventory are determined after deducting rebates and discounts. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

### 3.4 Employee benefits - Retirement benefit costs and termination benefits

#### i. Defined Contribution Plans

Payment to defined contribution retirement benefit plans i.e. Provident Fund & Superannuation Schemes are recognised as an expense in the statement of profit and loss when employees have rendered service entitling them to the contributions. The Superannuation scheme are funded with an insurance Company in the form of a qualifying insurance policy.

#### ii. Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit cost are categorised as follows:

- Service cost (including current service cost, as well as gains and losses on curtailments and settlement)
- Net interest expense or income
- Remeasurement

The company presents the first two components of defined benefit cost in profit or loss in the line item 'employee benefit expense'. Curtailment gains or losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### iii. Compensated Absences

The Company has a scheme for compensated absences for employees which is a long-term employee benefit, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

### iv. Short term benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

## 3.5 Financial Instruments

### I. Financial Assets

#### a) Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are at fair value are adjusted through profit or loss. Purchase and sale of financial assets are recognised using trade date accounting.

#### b) Subsequent Measurement

##### i) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

For equity investments which are not held for trading purposes and where the company has exercised the option to classify the investment as FVTOCI, all fair value changes on the investment are recognized in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.

##### iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

##### iv) Investments in associates and joint venture

Investment in associate companies and joint venture is carried at cost in the separate financial statements.

#### c) Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

In accordance with Ind-AS 109, the Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

### d) Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## II. Financial Liabilities

### a) Initial Recognition and Measurement

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity.

### b) Derivative financial instruments and Hedge Accounting

Foreign exchange forward contracts are entered into by the Company to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. These derivative contracts that do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured through statement of profit and loss. Gains or loss arising from changes in the fair value of the derivative contracts are recognized in the statement of profit and loss.

### c) Hedge accounting

The company has not designated any hedge instruments and hence requirements under Ind AS 109 in respect of hedge accounting does not arise.

### d) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### f) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### 3.6 Foreign currency

#### Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

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 recognised as income or expense in the statement of the profit and loss.

### 3.7 Fair value measurement

The Company measures financial instruments, such as, investments or derivatives at fair value at each balance sheet date on a portfolio basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summaries accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### 3.8 Revenue recognition:

Revenue is recognised on their accrual and when no significant uncertainty on measurability or collectability exists.

Expenditure is accounted for on their accrual.

#### **Sale of Goods:**

Revenue from the sale of goods is recognised when the performance obligations towards customers have been met at an amount that reflects the consideration to which the company believes it is entitled to in exchange for the transfer of goods to customers, net of any sales returns and GST. Performance obligations are deemed to have been met when the control of goods has been transferred to the customer, depending on the individual terms of the contract of sale. Considering the general terms of sales of goods, there is no significant financing element included in the sales consideration.

#### **Subsidies and export incentives:**

Subsidy for production of orthodox teas and Subsidy under export linked schemes are recognised when there is a reasonable assurance that the conditions attaching to the incentive would be complied and the incentives will be received.

### 3.9 Finance Income and expense

Finance income comprises of interest income on funds invested, dividend income and fair value gains on financial assets at fair value through profit or loss. Interest income is recognized using effective interest method. Dividend income is recognized in statement of profit and loss on date when the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expense comprises of interest expense on loans and borrowings recognised using effective interest method, unwinding of discount on provision and fair value losses on financial asset through FVTPL that are recognized in the statement of profit and loss.

### 3.10 Borrowing costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

### 3.11 Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **The Company as a lessee**

The Company's lease asset classes primarily consist of leases for premises. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### 3.12 Governments grants

Government incentives in the form of subsidy for replanting and rejuvenation of tea bushes extended by Tea Board of India are recognised at their fair value when there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions. Subsidy for replanting of tea bushes extended by Tea Board of India are deducted from the carrying value of property, plant and equipment.

### 3.13 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### (i) Current tax:

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

#### (ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred Income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### Minimum Alternative Tax

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period in which such credit can be set off under the income tax law. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

### 3.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### 3.15 Provisions & contingent liability:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the non – current provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. The Company does not recognise contingent liability but discloses its existence in financial statements.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

### 3.16 Cash flow statement:

Cash flows are reported using the indirect method, whereby, profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

### 3.17 Dividends:

Final Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

### 3.18 Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The Company operates in a single Business segment namely Cultivation, Manufacturing and Marketing of Tea. Accordingly, this is the only business segment to be reported and geographically segment is considered as India and rest of the world.

### 3.19 Biological assets and other bearer plants

Tea bushes produce tea leaves. Tea leaves on the tea bushes are measured at fair value less cost to sell. The fair value of the tea leaves is determined based on the market price for the products reduced by the proportionate cost for the level of development of the biological asset as on date. Market prices of tea on bushes are based on the selling prices of green leaves and adjusted based on the quality expected of the tea leaves on tea bushes

### 3.20 Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**  
*for the year ended 31st March, 2022*

NOTE : 4

**Property, Plant and Equipment**

(All amounts are in INR Lakhs)

	Freehold Land and Development	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Capital work in-Progress - Bearer Plants	Capital work in-Progress - Others
<b>Cost</b>								
At 31 March 2020	266.71	169.67	182.18	22.49	136.90	777.95	107.18	-
Additions/Transfers	-	-	17.28	49.49	0.51	67.28	8.90	-
Subsidy received from government	-	-	-	-	-	-	-	-
Disposals/Transfers	-	6.21	15.48	-	0.94	22.63	-	-
At 31 March 2021	266.71	163.46	183.98	71.98	136.47	822.60	116.08	-
Additions/Transfers	-	-	12.72	17.58	67.98	98.28	2.02	-
Subsidy received from government	-	-	-	-	-	-	-	-
Disposals/Transfers	214.17	62.85	-	-	0.90	277.92	-	-
At 31 March 2022	52.54	100.61	196.70	89.56	203.55	642.96	118.10	-
<b>Depreciation and impairment</b>								
At 31 March 2020	-	63.66	111.78	11.69	36.11	223.24	-	-
Depreciation charge for the year	-	13.36	15.71	6.18	31.23	66.48	-	-
Disposals	-	3.66	14.76	-	0.93	19.35	-	-
At 31 March 2021	-	73.36	112.73	17.87	66.41	270.37	-	-
Depreciation charge for the year	-	10.77	16.88	17.42	29.48	74.55	-	-
Disposals	-	25.63	-	-	0.86	26.49	-	-
At 31 March 2022	-	58.50	129.61	35.29	95.03	318.43	-	-
<b>Net Block</b>								
At 31 March 2022	52.54	42.11	67.09	54.27	108.52	324.53	118.10	-
at 31 March 2021	266.71	90.10	71.25	54.11	70.06	552.23	116.08	-

Notes:

- The company does not have any leasehold property.
- Title deeds of all Immovable Properties are held in the name of the Company
- Land, Bungalows and quarters amounting to Rs. 55.24 Lakhs mortgaged as security with the bank for working capital loan sanctioned by the bank (31 March 2021: Rs. 55.24 Lakhs)
- The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. 1 April 2016 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as gross block.
- Capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Year ended	<1 year	1-2 years	2-3 years	
31st March 22	2.02	8.90	12.22	94.96	118.10
31st March 21	8.90	12.22	17.38	77.58	116.08

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

**31 March 2022**

### NOTE 5

#### INVESTMENT PROPERTY - LAND

##### Cost

At 1 April 2020	269.82
Additions	-
Disposals	(269.82)
<b>At 31 March 2021</b>	-
Additions	-
Disposals	-
<b>At 31 March 2022</b>	-
<b>Depreciation</b>	
At 1 April 2020	-
Depreciation for the year	-
<b>At 31 March 2021</b>	-
Depreciation for the year	-
<b>At 31 March 2022</b>	-
<b>Net Block</b>	
at 1 April 2021	-
at 31 March 2022	-

Fair Value of the Investment property as at 31 March 22 and 31 March 2021 is not applicable as the investment property sold during the previous year

#### Information regarding income and expenditure of Investment property

Particulars	31 March 2022	31 March 2021
Rental income derived from investment properties	---	---
Direct operating expenses (including repairs and maintenance) generating rental income	---	---
Direct operating expenses (including repairs and maintenance) that did not generate rental income	---	0.01
Profit arising from investment properties before depreciation and indirect expenses	---	---
Less – Depreciation	---	---
Profit arising from investment properties before indirect expenses	---	---



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

31 March 2021

### NOTE 6

#### NON CURRENT INVESTMENTS

	Nature		
Investment in equity shares of associate / joint venture companies at Cost			
<b>Associate companies</b>			
<b>Quoted:</b>			
AVT Natural Products Limited - 6,09,13,600 shares (As at 31 March 2021 - 6,09,13,600 shares) of Rs. 1 each fully paid	Associate	258.97	258.97
<b>Unquoted:</b>			
Midland Corporate Advisory Services Private Limited - 2,50,000 shares (As at 31 March 2021 - 2,50,000 shares) of Rs. 10 each fully paid	Associate	25.00	25.00
<b>Joint Venture:</b>			
<b>Unquoted:</b>			
AVT McCormick Ingredients Private Limited - 31,50,000 shares (As at 31 March 2021 - 31,50,000 shares) of Rs. 10 each fully paid	Joint Venture	315.00	315.00
Less: Provision for diminution in value of investments		-	-
<b>Sub Total</b>		<b>598.97</b>	<b>598.97</b>
<b>Investments at fair value through Other Comprehensive Income</b>			
<b>Investment in Equity Shares</b>			
<b>Unquoted:</b>			
Grover Zampa Vineyards Ltd - 2,869,997 shares (As at 31 March 2021 - 1,451,177 shares) of Rs. 10 each fully paid		970.04	787.79
Mohan Meakin Ltd - 2,000 shares (As at 31 March 2021 - 2,000 shares) of Rs. 10 each fully paid		15.00	15.00
L.J.International Limited - 64 shares (As at 31 March 2021 - 64 shares) of Rs. 10 each fully paid		0.21	0.21
The Nelliampathy Tea & Produce Company Limited - 155 shares (As at 31 March 2021 - 155 shares) of Rs. 10 each fully paid		0.62	0.62
Verna Global Holding Limited - 8543 shares (As at 31 March 2021 - 8,543 shares) of GBP 0.1 each fully paid		122.71	138.99
Varna Design Private Limited - 70 shares (As at 31 March 2021 - 70 shares) of Rs. 10 each fully paid		1.06	1.06
<b>Sub Total</b>		<b>1,109.64</b>	<b>943.67</b>
<b>Grand Total Investments</b>		<b>1708.61</b>	<b>1,542.64</b>

\* The management considers that the carrying amount of these investments is approximate to their fair value.

Aggregate book value of quoted investments	258.97	258.97
Aggregate market value of quoted investments	79,522.70	27,411.12
Aggregate value of unquoted investments	1,449.64	1,283.67
Aggregate amount of impairment in the value of investments	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

	31 March 2022	31 March 2021
All amounts are in INR Lakhs, unless otherwise stated		
<b>NOTE 7</b>		
<b>LOANS</b>		
<b>Loans</b>		
(Unsecured, considered good)		
<b>Non Current at amortized cost</b>		
Loans to employees	0.85	3.48
Less: Allowance on loans and advances to employees	-	-
<b>Total</b>	<b>0.85</b>	<b>3.48</b>
<b>Current at amortized cost</b>		
Loans to employees	0.68	1.36
Less: Allowance on loans and advances to employees	-	-
<b>Total</b>	<b>0.68</b>	<b>1.36</b>
<b>NOTE 8</b>		
<b>OTHER FINANCIAL ASSETS</b>		
(Unsecured, considered good)		
<b>A) Non Current</b>		
Deposits with Public Bodies	13.45	15.45
Deposits with Others	0.10	0.75
Term deposit with bank maturing after 12 months from the Balance Sheet date (Refer Note 15)	0.96	1.36
<b>Total</b>	<b>14.51</b>	<b>17.56</b>
<b>B) Current</b>		
Rent deposits	20.50	20.50
<b>Total</b>	<b>20.50</b>	<b>20.50</b>
<b>NOTE 9</b>		
<b>DEFERRED TAX LIABILITY / ASSETS (NET)</b>		
<b>Components of Deferred tax</b>		
<b>Deferred Tax Asset / (Liability)</b>		
On account of depreciation	24.28	35.60
On account of Fair valuation of current investments	(85.89)	(87.95)
On account of Fair valuation of non current investments	20.26	10.52
On account of liabilities / provisions that are deducted for tax purposes when paid	1.63	1.34
<b>Sub Total</b>	<b>(39.72)</b>	<b>(40.49)</b>
<b>MAT Credit Entitlement</b>		
Opening balance	72.79	49.12
Add: Availed during the year	22.32	23.67
Less: Utilization during the year	-	-
<b>Net MAT Credit Entitlement</b>	<b>95.11</b>	<b>72.79</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>55.39</b>	<b>32.30</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022                      31 March 2021

### NOTE 10

#### OTHER CURRENT ASSETS

(Unsecured, considered good unless stated otherwise)

Advance to suppliers	52.95	22.41
GST Input Receivable	55.76	44.12
Income tax paid under protest / Refund due	7.00	7.00
<b>Total</b>	<b>115.71</b>	<b>73.53</b>

### NOTE 11

#### INVENTORIES

Raw materials	7.55	10.84
Finished goods	379.79	285.65
Stores, Spares and Packing Materials	76.87	86.10
Less: Provision for Slow Moving/Non Moving Inventories	1.11	1.11
<b>Total inventories at the lower of cost or net realisable value</b>	<b>463.10</b>	<b>381.48</b>

Note: Inventories are hypothecated against working capital loan from the bank.

#### Inventory write down

Write down/(back) to inventory recognised in cost during the year	25.48	6.59
---	-------	------

#### i) Provision for Slow Moving/Non Moving Inventories

Opening Balance	1.11	1.11
Add: Provision during the year	-	-
Less: Reversal of provision no longer required	-	-
<b>Closing Balance</b>	<b>1.11</b>	<b>1.11</b>

### NOTE 12

#### BIOLOGICAL ASSETS

	<b>Tea Leaves</b>
Balance as at 1 April 2020	9.34
Change in fair value due to biological transformation	31.05
<b>Balance as at 31 March 2021</b>	<b>40.39</b>
Change in fair value due to biological transformation	(20.41)
<b>Balance as at 31 March 2022</b>	<b>19.98</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTE 13 INVESTMENTS

	No. of scrips / Units held		All amounts are in INR Lakhs, unless otherwise stated	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Current Investments</b>				
<b>Investments at fair value through Profit &amp; Loss</b>				
<b>Quoted Equity Shares (Valued at market rate per share)</b>				
Tata consultancy Services Ltd of Rs. 1 each fully paid	4,864	4,864	181.86	154.57
Infosys Ltd Rs. 5 each fully paid	460	460	8.77	6.29
Bombay Stock Exchange Ltd of Rs. 2 each fully paid	-	7,442	-	42.50
Lakshmi Machines Ltd of Rs. 10 each fully paid	26	26	2.50	1.77
IDFC Ltd of Rs. 10 each fully paid	17,840	17,840	11.02	8.45
IDFC First Bank Ltd (Earlier IDFC Bank Ltd) of Rs. 10 each fully paid	8,120	8,120	3.22	4.52
Shriram Transport Finance Ltd of Rs. 10 each fully paid	670	670	7.60	9.53
Shriram City Union Finance Ltd of Rs. 10 each fully paid	83	83	1.35	1.13
CSB bank Ltd of Rs. 10 each fully paid	-	8,065	-	18.78
<b>Unquoted equity shares</b>				
Tamil Nadu Mercantile Bank Ltd of Rs. 10 each fully paid*	8,000	8,000	20.40	20.40
<b>Unquoted Mutual funds</b>				
ICICI Pru Short term Growth	17,13,629	20,90,633	818.90	958.84
ICICI Prudential Savings Growth	71,575	71,575	310.18	297.75
ICICI Prudential Liquid Growth	39,546	1,27,889	123.84	387.56
ICICI Pru. Fund - Growth	1,86,483	2,73,904	567.35	802.73
ICICI Pru. NIFTY 50 Index - Growth	65,449	-	23.69	-
Nippon India Liquid Growth	194	-	10.04	-
Nippon India NIFTY Midcap 150 Index Fund Reg-Growth	1,66,430	-	21.08	-
SBI liquid Growth	318	-	10.54	-
SBI NIFTY Indiex Growth	16,107	-	24.26	-
Reliance Mutual funds	14,730	4,998	147.27	49.98
<b>Mutual funds</b>				
HDB Financial Services Ltd of Rs. 1,000,000. each per unit	50	-	526.66	-
			<b>2,820.53</b>	<b>2,764.80</b>
Aggregate book value of quoted investments			742.98	247.54
Aggregate market value of quoted investments			742.98	247.54
Aggregate value of unquoted investments			2,077.55	2,517.26
Aggregate amount of impairment in the value of investments			-	-

\* The management considers that the carrying amount of these investments is approximate to their fair value.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

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### NOTE 14

#### TRADE RECEIVABLES

##### Non Current

##### (Unsecured)

Considered good*	182.41	98.89
Considered doubtful	-	-
	<b>182.41</b>	<b>98.89</b>
Less : Provision for doubtful debts	-	-
<b>Total</b>	<b>182.41</b>	<b>98.89</b>

Note: Trade receivables are hypothecated against working capital loan from the bank.

\* Includes dues from companies where directors are interested 11.80 25.05

\* Includes dues from an associate 0.01 7.55

##### Trade Receivables ageing schedule

	Outstanding for following periods from date of transaction					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	182.41	-	-	-	-	182.41
	98.89	-	-	-	-	98.89
<b>Total</b>	<b>182.41</b>	-	-	-	-	<b>182.41</b>
	<b>98.89</b>	-	-	-	-	<b>98.89</b>
Less : Allowance for Trade Receivable	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Net Trade Receivable</b>	<b>182.41</b>	-	-	-	-	<b>182.41</b>
	<b>98.89</b>	-	-	-	-	<b>98.89</b>

### NOTE 15

#### CASH AND CASH EQUIVALENTS

Cash on hand	0.24	0.46
Balances with bank in current account	17.93	30.51
In deposit account	0.40	-
<b>Cash and cash equivalents as per balance sheet</b>	<b>18.57</b>	<b>30.97</b>
<b>Bank balances other than cash and cash equivalents:</b>		
Balances with banks:		
In deposit account with original maturity more than twelve months from balance sheet date	0.96	1.36
Earmarked Balances (unclaimed/unpaid dividend deposit accounts)	88.44	96.75
<b>Bank balance</b>	<b>89.40</b>	<b>98.11</b>
Less : Term deposit / Margin money with bank maturing after 12 months from the Balance Sheet date (Refer Note 8)	0.96	1.36
<b>Net Bank balances other than cash and cash equivalents</b>	<b>88.44</b>	<b>96.75</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### NOTE 16

#### ASSET CLASSIFIED AS HELD FOR SALE

Land	214.17	-
Building	37.22	-
	<b>251.39</b>	<b>-</b>

The Company has decided to sell one of its properties for which agreement for sale has been entered into with counterparty by the Company and accordingly classified as assets held for sale as on reporting date. The property, plant and equipment are carried at book value in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations' being lower than the fair value less cost to sell.

### NOTE 17

#### SHARE CAPITAL

##### A. Authorised Share Capital

Number of Ordinary (Equity) Shares	9,00,000	9,00,000
Face Value per Ordinary (Equity) share	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	<b>90.00</b>	<b>90.00</b>
Number of 5% Preference Shares	3,50,000	3,50,000
Face Value per 5% Preference share	10.00	10.00
5% Preference Share Capital in Rs. lakhs	<b>35.00</b>	<b>35.00</b>

##### B. Issued, Subscribed & Paid Up Share Capital

Number of Ordinary (Equity) Shares	6,22,062	6,22,062
Face Value per Ordinary (Equity) share	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	<b>62.21</b>	<b>62.21</b>

##### C. Terms/ rights attached to equity shares

The company has one class of equity shares issued having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

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## NOTE 17

### SHARE CAPITAL (contd)

#### D. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	Number of shares held	Amount
Balance as at 1 April 2020	6,27,350	62.74
Changes in equity share capital due to prior period errors	-	
Restated balance as at April 1, 2020	6,27,350	62.74
Extinguishment of shares upon buy-back [refer note no. 44]	(5,288)	(0.53)
<b>Balance as at 31 March 2021</b>	<b>6,22,062</b>	<b>62.21</b>
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1, 2021	6,22,062	62.21
Movement during the year	-	-
<b>Balance as at 31 March 2022</b>	<b>6,22,062</b>	<b>62.21</b>

#### E. Disclosure of shareholding of promoters and percentage of change during the year

Promoter Name	As at 31.03.2022			As at 31.03.2021		
	Number of shares held	% holding	% Change During the year	Number of shares held	% holding	% Change During the year
Mr. Ajit Thomas & Mrs. Shanthi Thomas	4,14,618	66.65%	0.00%	4,14,618	66.65%	0.58%
The Midland Rubber and Produce Co. Ltd.	28,545	4.59%	3.22%	8,526	1.37%	0.03%
<b>Total</b>	<b>4,43,163</b>	<b>71.24%</b>	<b>3.22%</b>	<b>4,23,144</b>	<b>68.02%</b>	<b>0.61%</b>

#### F. Details of shareholders holding more than 5% shares in the company

Name of the Share holder	As at 31.03.2022		As at 31.03.2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Mr. Ajit Thomas & Mrs. Shanthi Thomas	4,14,618	66.65%	4,14,618	66.65%
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	39,276	6.31%	38,670	6.22%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

#### G. Equity shares movement during the 5 years preceding March 31, 2022

##### Equity shares extinguished on buy-back

The Company bought back 5,288 equity shares for an aggregate amount of Rs. 84.61 lakhs being 0.84% of the total paid up equity share capital at Rs. 1,600 per equity share. The equity shares bought back were extinguished on March 19, 2021 (refer to Note no. 44).

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

## NOTE 18 OTHER EQUITY

Name of the reserve	Reserves & Surplus			Items of Other Comprehensive Income	
	Capital Redemption Reserve	General Reserve	Retained Earnings	FVOCI - equity investments	Total
<b>As At 1 April 2020</b>	27.27	3,511.41	930.73	(54.00)	4,415.41
Changes in accounting policy or prior period items	-	-	-	-	-
Restated balance as at 1st April 2020	27.27	3,511.41	930.73	(54.00)	4,415.41
Profit for the year	-	-	663.17	-	663.17
Remeasurement of the post-employment benefit obligations and tax thereon	-	-	(7.98)	-	(7.98)
Other Comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	655.19	-	655.19
Transactions with owners in their capacity as owners:					
- Amount utilised for buy-back of equity shares [Refer Note no. 44]	-	-	(84.08)	-	(84.08)
- 'Transferred from securities premium to capital redemption reserve on buy-back of equity shares [Refer Note no 44]	0.53	-	(0.53)	-	-
- Transaction costs related to buy-back of equity shares [Refer Note no. 44]	-	-	(50.18)	-	(50.18)
Transfer to General Reserve	-	500.00	(500.00)	-	-
Dividends	-	-	(62.74)	-	(62.74)
<b>Balance as at 31st March 2021</b>	27.80	4,011.41	888.39	(54.00)	4,873.60
Changes in accounting policy or prior period items	-	-	-	-	-
Restated balance as at 1st April 2021	27.80	4,011.41	888.39	(54.00)	4,873.60
Profit for the year	-	-	483.81	-	483.81
Remeasurement of the post-employment benefit obligations and tax thereon	-	-	(10.75)	-	(10.75)
Other Comprehensive income for the year	-	-	-	(37.11)	37.11
<b>Total comprehensive income for the year</b>	-	-	473.06	(37.11)	435.95
Transfer to General Reserve	-	-	-	-	-
Dividends	-	-	(248.82)	-	(248.82)
<b>As At 31 March 2022</b>	27.80	4,011.41	1,112.63	(91.11)	5,060.73

### Nature and Purpose of other reserves

- Capital Redemption Reserves** - Capital Redemption Reserve was created for buy - back of shares and can be utilised for issuance of fully paid up bonus shares.
- General Reserve** - General Reserve is created out of profits earned by the company by way of transfer from surplus in the statement of profit and loss. The company can use the reserve for payment of dividend and issue of fully paid-up and not paid up bonus shares
- Retained Earnings:** Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Equity investments through other comprehensive income:** The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in Equity instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are not reclassified to statement of profit and loss.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

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### NOTE 19 PROVISIONS

#### Non Current

Provision for Compensated absences*	5.49	4.53
<b>Total</b>	<b>5.49</b>	<b>4.53</b>

#### Current

Provision for Gratuity (funded)*	422.36	337.06
Provision for Compensated absences*	0.37	0.29
<b>Total</b>	<b>422.73</b>	<b>337.35</b>

\*Refer Note 36 for details

### NOTE 20 TRADE PAYABLES

Due to Micro and Small Enterprises *	11.12	13.50
Due to other than Micro and Small Enterprises etc	116.44	148.53
<b>Total trade payables</b>	<b>127.56</b>	<b>162.03</b>

#### Note:

\* The Micro and Small Enterprises have been determined to the extent such parties have submitted information to the Company in this regard. Refer Note 39 for further details.

#### Trade payable ageing schedule

Particulars	As at	Outstanding for following periods from date of transaction					
		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	31st March 22	6.79	4.33	-	-	-	11.12
	<i>31st March 21</i>	-	<i>13.50</i>	-	-	-	<i>13.50</i>
(ii) Others	31st March 22	26.34	90.10	-	-	-	116.44
	<i>31st March 21</i>	<i>8.90</i>	<i>139.63</i>	-	-	-	<i>148.53</i>
(iii) Disputed dues - MSME	31st March 22	-	-	-	-	-	-
	<i>31st March 21</i>	-	-	-	-	-	-
(iv) Disputed dues - Others	31st March 22	-	-	-	-	-	-
	<i>31st March 21</i>	-	-	-	-	-	-
<b>Total</b>	31st March 22	33.13	94.43	-	-	-	127.56
	<i>31st March 21</i>	<i>8.90</i>	<i>153.13</i>	-	-	-	<i>162.03</i>

### NOTE 21 OTHER FINANCIAL LIABILITIES

#### Particulars

#### Other financial liabilities

Unclaimed dividend	88.44	96.75
Employee related liabilities etc	138.43	147.31
<b>Total</b>	<b>226.87</b>	<b>244.06</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### NOTE 22

#### OTHER CURRENT LIABILITIES

##### Particulars

##### Current

Advance from customers	5.29	0.11
Advance received for sale of asset (Refer Note. 16)	255.00	-
Statutory liabilities	28.71	42.40
<b>Total</b>	<b>289.00</b>	<b>42.51</b>

### NOTE 23

#### REVENUE FROM OPERATIONS

##### Sale of products

Tea	2,749.78	2,827.34
Tea Waste	77.85	85.68
Tea Leaf	-	3.67
<b>Total Sale of Products (A)</b>	<b>2,827.63</b>	<b>2,916.69</b>

##### Other Operating Revenue

Tea subsidy	84.03	-
Timber	-	9.57
Export subsidies & other incentives	42.92	10.03
Duty drawback	2.18	2.79
Scrap		5.94
<b>Total Other Operating Revenue (B)</b>	<b>129.13</b>	<b>28.33</b>
<b>Total revenue from operations</b>	<b>2,956.76</b>	<b>2,945.02</b>

##### Disaggregation of sale of products by geography

India	1,132.77	1,202.29
Rest of the world	1,694.86	1,714.40
	<b>2,827.63</b>	<b>2,916.69</b>

### NOTE 24

#### OTHER INCOME

##### Dividend Income from Investments:

Non Current measured at cost	613.31	553.44
Non Current measured at fair value through Other Comprehensive Income	0.04	0.02
Current at fair value through Profit and Loss	2.56	3.93
Interest income	0.83	1.34
Gain on fair value of investments measured at fair value through Profit and Loss	109.13	230.34
Profit on sale of investments at fair value through Profit and Loss (net)	52.48	8.71
Profit on Sale of property, plant and equipment (net)	0.54	0.53
Insurance Claim Received	0.00	0.80
Miscellaneous income	0.65	0.52
<b>Total</b>	<b>779.54</b>	<b>799.63</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### NOTE 25

#### COST OF RAW MATERIAL & COMPONENTS CONSUMED

Inventories at the beginning of the year	10.84	3.27
Add: Purchases	527.44	493.10
	<b>538.28</b>	<b>496.37</b>
Less: Inventories at the end of the year	7.55	10.84
<b>Total</b>	<b>530.73</b>	<b>485.53</b>

### NOTE 26

#### PURCHASE OF STOCK - IN - TRADE

Inventory at the beginning of the year	-	-
Add: Purchases	0.83	0.97
	<b>0.83</b>	<b>0.97</b>
Less: inventory at the end of the year	-	-
<b>Total</b>	<b>0.83</b>	<b>0.97</b>

### NOTE 27

#### CHANGE IN INVENTORIES OF FINISHED GOODS

Finished goods inventories at the beginning of the year	285.65	599.01
Less: Finished goods inventories at the end of the year	(379.79)	(285.65)
<b>Total</b>	<b>(94.14)</b>	<b>313.36</b>

### NOTE 28

#### EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus	1,274.20	1,113.56
Contribution to provident and other funds	191.09	173.31
Staff welfare expenses	32.80	42.55
<b>Total</b>	<b>1,498.09</b>	<b>1,329.42</b>

Refer to Note 36 for details on employee benefit

#### The above includes

- net incremental gratuity provision of	74.17	68.64
- net incremental leave salary provision of	1.05	1.38

### NOTE 29

#### FINANCE COSTS

Interest on shortfall of payment of advance tax	1.11	5.85
Interest on debts and borrowings at effective interest rate on borrowings	1.65	1.26
<b>Total</b>	<b>2.76</b>	<b>7.11</b>

### NOTE 30

#### DEPRECIATION EXPENSES

Depreciation on tangible assets	74.55	66.48
<b>Total</b>	<b>74.55</b>	<b>66.48</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### NOTE 31

#### OTHER EXPENSES

##### Other Manufacturing Expenses

Consumption of stores and spares	122.94	131.10
Power and fuel	230.53	189.81
Repairs and maintenance	17.03	25.26
Rent and amenities	28.62	25.92
Repairs and maintenance		
Buildings	203.92	53.26
Vehicles	63.87	43.44
Others	7.89	11.94
Insurance	11.06	8.86
Rates and taxes	7.36	8.73
Payment to statutory auditors (Refer Note 32)	7.18	7.50
Transport and warehousing	187.47	112.35
Brokerage and commission	60.60	69.53
Travelling expenses	47.94	17.31
Legal and professional expenses	47.46	18.87
Postage and telephones	5.03	4.94
Printing and stationery	4.15	6.77
Bank charges	7.26	9.70
Directors' sitting fees	4.09	4.13
Advertisement and sales promotion	2.50	1.97
Exchange fluctuation loss (net)	0.44	6.67
Miscellaneous expenses	34.02	24.57
<b>Total</b>	<b>1,101.36</b>	<b>782.63</b>

#### Note:

##### Amount capitalized during the current year:

Salaries, wages and bonus	1.93	7.09
Stores and components consumed	0.09	1.81

### NOTE 32

#### PAYMENT TO STATUTORY AUDITORS

For audit	7.00	7.00
For Other services (certification fees)	-	0.50
For travelling and other expenses	0.18	-
	<b>7.18</b>	<b>7.50</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### NOTE 33

#### INCOME TAX

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

#### Statement of profit and loss:

Income Tax	127.10	158.07
Deferred Tax	-	20.92
	<b>117.90</b>	<b>178.99</b>

#### Other Comprehensive Income

Deferred tax related to items recognised in OCI during the year

Net (gain)/loss on revaluation of non-current investments	(46.85)	-
Net (gain)/loss on remeasurements of defined benefit plans	(14.90)	(11.05)
	<b>(61.75)</b>	<b>(11.05)</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2022 and 31 March 2021:

Accounting profit before tax (a)	601.71	842.16
Income Tax Rate (b)	27.82%	27.82%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	167.40	234.29

#### Adjustments

On account of dividend income		-
On account of dividend paid available for deduction under income tax	(69.22)	(17.46)
On account of long term gain set off against carry forward long term loss on which no deferred tax was created conservatively	(21.68)	(14.46)
On account of non-taxable agricultural operations	22.04	(8.30)
On account of long term tax rate applied to current investment gain	-	(29.68)
On account of other items	19.37	14.60
	<b>117.90</b>	<b>178.99</b>

#### Deferred tax movement

Opening balance as of 1 April	32.30	53.22
Tax income/(expense) during the year recognised in profit or loss	(13.11)	(44.59)
Tax income/(expense) during the year recognised in OCI	13.89	-
MAT availed/(utilised) during the year	22.31	23.67
	<b>55.39</b>	<b>32.30</b>

Given that the Company does not have any intention to dispose investments in associates and joint venture in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### NOTE 34

#### EARNINGS PER SHARE

Profit after Taxation in INR lakhs	483.81	663.17
Weighted average number of Equity Shares	6,22,062	6,27,176
Earnings per share (Basic and Diluted) in Rs.	77.78	105.74

\* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

### NOTE 35

#### SEGMENT REPORTING

The Company operates only in one Business segment namely Cultivation, Manufacturing and Marketing of Tea. Accordingly this is the only business segment to be reported.

#### Additional Information:

##### Segment Revenue

##### Revenue by Geographical Segment

India	1,132.77	1,202.29
Rest of the World	1,694.86	1,714.40
<b>Total Revenue from Sale of Products</b>	<b>2,827.63</b>	<b>2,916.69</b>

##### Trade Receivables

India	39.87	54.04
Rest of the World	142.54	44.85
<b>Total Receivables</b>	<b>182.41</b>	<b>98.89</b>

#### Note:

Only trade receivables are outside India, all other assets and liabilities are in India. Accordingly, revenue and trade receivables are only disclosed

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### NOTE 36

#### EMPLOYEE BENEFITS

- (a) The Company has recognised the following expenses as defined contribution plan under the head “Company’s Contribution to Provident Fund and Other Funds” (net of recoveries) :

Provident fund	110.55	98.10
Superannuation	1.19	2.15

- (b) The Company operates post retirement defined benefit plans as follows :-

#### Gratuity Scheme:

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

#### Defined Benefit Plans (Gratuity)– As per Actuarial Valuation on March 31, 2022:-

- (i) Amount to be recognized in Balance Sheet and movement in net liability

Present Value of Funded Obligations	789.83	725.18
Fair Value of Plan Assets	367.47	388.12
<b>Net (asset) / Liability - Current</b>	<b>422.36</b>	<b>337.06</b>

- (ii) Expenses recognized in the Statement of Profit & Loss

Current Service Cost	52.99	51.10
Interest on Net Defined Benefit Liability	21.18	17.54
<b>Total</b>	<b>74.17</b>	<b>68.64</b>

- (iii) Amount recorded in Other Comprehensive Income

Actuarial (gain)/loss on Plan Obligations	17.97	12.51
Return on plan assets excluding net interest	(3.07)	(1.46)
<b>Total</b>	<b>14.90</b>	<b>11.05</b>

- (iv) Reconciliation of Net Liability/ Asset

Opening Net Benefit Liability	337.06	258.76
Expense charged to profit and loss	74.17	68.64
Amount recognized outside profit and loss (in OCI)	14.90	11.05
Employer Contribution	(3.77)	(1.39)
<b>Closing Net Defined Benefit Liability/ (Asset) - Current</b>	<b>422.36</b>	<b>337.06</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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### NOTE 36

#### EMPLOYEE BENEFITS *(contd)*

(v) **Reconciliation of Defined Benefit Obligation**

Opening Defined Benefit Obligation	725.18	668.00
Interest Cost	44.23	43.72
Current Service Cost	52.99	51.10
Benefits paid	(50.54)	(50.15)
Actuarial Losses / (Gain) on obligation	17.97	12.51
Closing Defined Benefit Obligation	<b>789.83</b>	<b>725.18</b>

(vi) **Reconciliation of Fair Value of Plan Assets**

Opening Fair Value of Plan Assets	388.12	409.24
Return on plan assets	3.07	1.46
Contributions made	3.77	1.39
Benefits Paid	(50.54)	(50.15)
Interest Income	23.05	26.18
Closing Fair Value of Plan Assets	<b>367.47</b>	<b>388.12</b>

(vii) **Description of Plan Assets**

Funds managed by Insurer	100%	100%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

31 March 2021

### NOTE 36

#### EMPLOYEE BENEFITS *(contd)*

##### (viii) Actuarial Assumptions

Discount rate (p.a.)	6.85%	6.32%
Salary Escalation Rate (p.a.)	5.00%	5.00%
Attrition Rate (p.a.)	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

The discount rates are based on the benchmark yields available on government bonds at the valuation date with terms matching that of the liabilities and salary increases rates take into account inflation, Seniority, Promotion and other relevant factors

##### (ix) Expected Benefit Payments in Following Years (mid - year cash flows)

Year 1	155.08	134.23
Year 2	85.44	65.69
Year 3	89.31	70.70
Year 4	65.54	74.83
Year 5	80.77	61.23
Next 5 Years	324.53	291.42

Average Duration of Defined Benefit Obligations is 5.83 years  
(31 March 2021: 6.23 years)

The next year estimated liability is Rs. 55.82 Lakhs  
(31 March 2021: Rs. 52.99 Lakhs)

##### (x) Effect of Change in Key Assumptions

Year Ended 31st March 2022

###### Particulars

###### Discount Rate

Impact of increase in 100 bps on DBO	(40.31)	(40.17)
Impact of decrease in 100 bps on DBO	45.37	45.52

###### Salary Escalation Rate

Impact of increase in 100 bps on DBO	44.36	44.32
Impact of decrease in 100 bps on DBO	(40.08)	(39.80)

##### (xi) Asset liability comparisons

Year	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18
PVO at the end of the period	789.83	725.18	725.18	613.48	653.39
Plan assets	367.47	388.12	388.12	463.64	473.11
Surplus/ (deficit)	(422.36)	(337.06)	(337.06)	(149.84)	(180.28)
Experience adjustment on plan assets	3.07	1.46	(3.14)	0.53	3.27

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

31 March 2021

### NOTE 36

#### EMPLOYEE BENEFITS *(contd)*

c) Other Long Term Employee Benefits

(i) **Compensated absences:**

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

**Other Long Term Employee Benefits (Leave encashment)– As per Actuarial Valuation on March 31, 2022:-**

(i) **Amount to be recognized in Balance Sheet and movement in net liability**

Present Value of Funded Obligations	5.86	4.82
Fair Value of Plan Assets	-	-
Net (asset) / Liability	<b>5.86</b>	<b>4.82</b>

(ii) **Actuarial Assumptions**

Discount rate (p.a.)	6.85%	6.32%
Salary Escalation Rate (p.a.)	5.00%	5.00%
Attrition Rate (p.a.)	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

(iii) **Effect of Change in Key Assumptions  
Year Ended 31st March 2022**

**Particulars**

**Discount Rate**

Impact of increase in 100 bps on DBO	(0.41)	(0.36)
Impact of decrease in 100 bps on DBO	0.45	0.40

**Salary Escalation Rate**

Impact of increase in 100 bps on DBO	0.44	0.39
Impact of decrease in 100 bps on DBO	(0.40)	(0.35)

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors.

**Exposure to Risks:**

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

**Interest risk:** A decrease in the Government Securities (G-Sec Bonds) interest rate will increase the plan liability.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTE 37

#### RELATED PARTY TRANSACTIONS

##### A Details of related parties:

###### Directors who held the office during the year:

Mr. Ajit Thomas , Chairman.  
Mrs. Shanthi Thomas , Executive Director.  
Mr. A. D. Bopana  
Mr. F. S. Mohan Eddy  
Mrs. Kavitha Vijay  
Mr. Swaminathan Ganesan

###### Key Management Personnel (KMP)

Mr. Deepak G. Prabhu, CFO  
Mr. S. Lakshmi Narasimhan, Company Secretary

###### Associates & Joint Venture of the company :

AVT Natural Products Limited  
AVT McCormick Ingredients Private Limited  
Midland Corporate Advisory Services Pvt. Ltd.

###### Entities in which Directors are interested with whom transactions were carried out in current / previous year

A V Thomas & Co. Ltd.  
The Nelliampathy Tea & Produce Co. Ltd.  
The Midland Rubber & Produce Co. Ltd.  
Midland Charitable Trust

##### B. Details of related party transactions during the year and balances outstanding at the end of the year:

All amounts are in INR Lakhs, unless otherwise stated

Sl. No.	Particulars	Directors		Key Management Personnel (KMP)		Associate & Joint Venture of the Company		Entities in which Directors are Interested	
		31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	<b>Transactions during the year:</b>								
1	Sitting Fees to Chairman	0.88	0.96	-	-	-	-	-	-
2	Sitting Fees to Other Directors	3.21	3.17	-	-	-	-	-	-
3	Professional fees	-	-	-	-	6.00	-	-	-
4	Dividend Received	-	-	-	-	613.31	553.44	0.04	0.02
5	Sale of Goods / Consumables and Ingredients	-	-	-	-	121.10	85.68	195.27	247.05
6	Sale of Fixed Assets	-	-	-	-	-	-	-	-
7	Warehousing Charges	-	-	-	-	-	-	1.56	2.00
8	Donations (miscellaneous expenses)	-	-	-	-	-	-	10.00	-
9	Dividend Paid	165.85	41.46	-	-	-	-	4.76	0.85
10	Remuneration to Executive Director	41.25	30.28	-	-	-	-	-	-
11	Remuneration to Key Managerial Personnel - short term benefits*	-	-	55.36	45.48	-	-	-	-

\* Long term benefits have not been disclosed since the liability for such benefits have been derived by the actuary for entity as a whole.

###### Outstanding Balance at the year end

Sl. No.	Particulars	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
1	Trade receivables	-	-	-	-	0.01	7.55	11.80	25.05
2	Investments	-	-	-	-	598.97	598.97	0.62	0.62

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2022

All amounts are in INR Lakhs, unless otherwise stated

Year ended  
31 March 2022

Year ended  
31 March 2021

### NOTE 38

#### COMMITMENTS AND CONTINGENCIES

- |  |      |      |
|--|------|------|
| 1) On account of Income Tax matters in dispute:  | 4.43 | 4.43 |
| 2) The retrospective effect from 01-04-14 of the operations and implementations of the Payment of Bonus (Amendment) Act, 2015 has been stayed by Hon. High court of Madras. Considering the same, the Company has not provided for the additional liability. |      |      |
| 4) <b>Capital Commitments</b><br>Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is Rs. Nil (31 March 2021: Rs. Nil).   |      |      |

### NOTE 39

#### OTHER REGULATORY MATTERS

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	31 March 2022	31 March 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	11.12	13.50
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The Micro and Small Enterprises have been determined to the extent such parties have submitted information to the Company in this regard

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTE 40

#### FAIR VALUE MEASUREMENT

##### Financial Instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed.

##### Financial assets and liabilities

All amounts are in INR Lakhs

Particulars	31st March 2022			31st March 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets:</b>						
<b>Non Current</b>						
Investments*	-	1,109.64	-	-	943.67	-
Loans	-	-	0.85	-	-	3.48
Other financial assets	-	-	14.51	-	-	17.56
<b>Current</b>						
Investments	2,820.53	-	-	2,764.80	-	-
Trade Receivables	-	-	182.41	-	-	98.89
Cash and Cash Equivalents	-	-	18.57	-	-	30.97
Bank Balances other than Cash & Cash Equivalents	-	-	88.44	-	-	96.75
Loans	-	-	0.68	-	-	1.36
Other financial assets	-	-	20.50	-	-	20.50
<b>Total</b>	<b>2,820.53</b>	<b>1,109.64</b>	<b>325.96</b>	<b>2,764.80</b>	<b>943.67</b>	<b>269.51</b>
<b>Financial liabilities:</b>						
<b>Current</b>						
Trade Payables	-	-	127.56	-	-	162.03
Other financial liabilities - Current	-	-	226.87	-	-	244.06
<b>Total</b>	<b>-</b>	<b>-</b>	<b>354.43</b>	<b>-</b>	<b>-</b>	<b>406.09</b>

\* Does not include investments in Associates / Joint venture.

### NOTE 41

#### FAIR VALUE HIERARCHY

##### A.1 Fair value of Financial Instruments measured through FVTPL:

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2022:

	Notes	Level 1	Level 2	Level 3	Total
<b>Financial asset-</b>					
Investments in quoted equity instruments	A.2	216.32	-	-	216.32
Investments in liquid mutual fund units	A.2	2,057.15	-	-	2,057.15
Investments in unquoted shares	A.2	-	-	20.40	20.40
Investments in quoted zero coupon debentures	A.2	526.66	-	-	526.66

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

## NOTE 41

### FAIR VALUE HIERARCHY (Contd....)

**Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2021:**

Financial asset -	Notes	Level 1	Level 2	Level 3	Total
Investments in quoted equity instruments	A.2	247.54	-	-	247.54
Investments in liquid mutual fund units	A.2	2496.86	-	-	2,496.86
Investments in unquoted shares	A.2	-	-	20.40	20.40
Investments in quoted zero coupon debentures	A.2	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

#### A.2 Valuation inputs and relationship to fair value

The fair value of investment in listed shares is determined using the market rate per share at the balance sheet date.

The fair value of investment in mutual funds is determined using the Net Asset Value (NAV) per unit at the balance sheet date.

The fair value of investment in unlisted shares is determined using the quotes available in the informal market close to the balance sheet date / at costs which represents fair value.

#### B.1 Fair value of Financial Instruments measured through FVTOCI:

**Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2022:**

	Notes	Level 1	Level 2	Level 3	Total
Non-Current Investments	B.2	-	-	1,109.64	1,109.64

**Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2021:**

	Notes	Level 1	Level 2	Level 3	Total
Investments in unquoted equity instruments - Non-current	B.2	-	154.82	788.85	943.67

During the current year, equity shares of Rs. 154.82 Lakhs (31 March 2021: Nil) were transferred from Level 2 to Level 3 of fair value hierarchy as since these were valued based on valuation carried out by the management.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets does not have a significant impact in its value.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

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All amounts are in INR Lakhs

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## NOTE 41

### FAIR VALUE HIERARCHY (*Contd...*)

#### B.2 Valuation inputs and relationship to fair value

The fair value is determined based on valuation reports / recent transactions including potential transactions within a reasonable period to the balance sheet date.

#### C. Fair value of Financial Instruments measured at amortised cost :

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables, loans, other financial liabilities and assets the management considers that the carrying amount of assets and liabilities recognised at amortised cost in financial statements is approximate to their fair value.

The fair value of financial instruments as referred to in note (A) and (B) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

## NOTE 42

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed by the senior management in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by professionals who have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

#### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2022. The sensitivity analysis for equity price risk has been prepared on the basis of the fair value of the equity investments carried as FVTPL (under current investments) and basis change in equity price.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2022

## NOTE 42

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd....)

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with fixed & floating interest rates.

#### Sensitivity Analysis of the Interest Rate

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

	Effect on profit before tax in INR lakhs	
	31st March 2022	31st March 2021
100bp increase	-	-
100bp decrease	-	-

#### (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue is denominated in a foreign currency).

#### (1) Foreign Currency Risk Exposure

The company exposure to foreign currency risk at the end of the year expressed in Rs. as follows:

Financial Assets	31st March 2022 (Rs. in Lakhs)	31st March 2021 (Rs. in Lakhs)
Trade Receivables - USD	142.54	44.85
Forward Cover Contracts - USD	-	-
Net unhedged Exposure - USD	142.54	44.85

#### (2) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

#### Sensitivity Analysis

		Effect on profit before tax in INR lakhs	
		31st March 2022	31st March 2021
USD Exposure in INR	1% -Strengthening	1.43	0.45
USD Exposure in INR	1% -Weakening	(1.43)	(0.45)



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTE 42

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd....)

#### (c) Equity price risk

The company carries a significant amount of investments held as FVTPL (under current investments) which are affected by swings in the equity price and yield in bonds in the market. The risk of equity price changes are managed by the company by closely monitoring the market position and accordingly determining the entry and exit into the markets from time to time and also by having a diversified portfolio of investments.

#### Sensitivity Analysis

		Effect on profit before tax in INR lakhs	
		31st March 2022	31st March 2021
Equity, debenture and mutual funds price exposure for current investments	1%-Strengthening	28.21	27.65
Equity, debenture and mutual funds price exposure for current investments	1%-Weakening	(28.21)	(27.65)

#### (d) Commodity price risk

The prices of agricultural commodities are subject to fluctuations due to various factors. In the ordinary course of business, the company is exposed to commodity price risk to the extent its open sales are not balanced by inventory. The company has in place a risk management policy to manage such risk by having conscious limits on the sales committed for future periods for which production is yet to be completed and inventory is in place.

#### (B) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

##### (a) Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are set with approvals on the basis of the defined policies. Outstanding customer receivables are regularly monitored and exposures are kept within the credit limits fixed for each customer.

##### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Particulars	31 March 2022	31 March 2021
No of Customers to whom Sales made is more than 10% of the Turnover	2	2
Contribution of Customers in Sales more than 10% of Turnover	59.68%	58.85%

  

Particulars	31 March 2022	31 March 2021
No of Customers who owed more than 10% of the Total receivables	2	3
Contribution of Customers in owing more than 10% of Total receivables	89.08%	74.51%

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTE 42

#### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd....)

##### (b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 and 31 March 2021 is the carrying amounts as mentioned in Notes.

##### (C) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to current investments which are highly liquid to meet any liquidity needs and also has adequate undrawn credit facility from its bankers.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended 31st March 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Other financial liabilities	88.44	138.43	-	-	-	226.87
Trade and other payables	-	127.56	-	-	-	127.56
	<b>88.44</b>	<b>265.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354.43</b>
<b>Year ended 31 March 2021</b>						
Other financial liabilities	96.75	147.31	-	-	-	244.06
Trade and other payables	-	162.03	-	-	-	162.03
	<b>96.75</b>	<b>309.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406.09</b>

### NOTE 43

#### CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by fund attributable to Equity Shares Holders. The company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits, excluding discontinued operations.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

The company's borrowing facilities comprising cash credit facility of Rs.275 Lakhs - Cash credit & Agricultural cash credit which is secured by hypothecation of stock-in-trade, standing crops, book debts, vehicles and also equitable mortgage of Katary Estate with Buildings thereon.

**The company had access to the following undrawn borrowing facilities at the end of the reporting period.**

	31st March 2022 (in Lakhs)	31st March 2021 (in Lakhs)
Fund Based facilities	275.00	275.00

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

*For the year ended 31<sup>st</sup> March 2022*

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### **NOTE 44**

#### **BUY BACK OF EQUITY SHARES**

During the previous year, the Board of Directors at its meeting held on 21 January 2021, approved a proposal to buy-back upto 25,350 equity shares of the Company for an aggregate cash amount not exceeding Rs. 405.60 Lakhs, being 4.04% of the total paid up equity share capital at Rs. 1,600 per equity share through Tender Offer process, on a proportionate basis. The record date for tendering of shares for buy-back was 5 February 2021.

The Company completed buy-back of 5,288 equity shares of Rs.10 each (representing 0.84% of total pre buy-back paid up equity share capital of the Company) from the shareholders of the Company on a proportionate basis, through the tender offer route under the Securities and Exchange Board of India (Buy-back of Securities), Regulations 2018, at a payout to such shareholders aggregating to Rs.84.61 lakhs. Accordingly, the Company extinguished 5,288 fully paid up equity shares of Rs. 10 each (in dematerialized and physical form) and the fully paid up equity share capital of the Company (post extinguishment) is 622,062 shares of Rs.10 each. The Company has funded the buy-back (including transaction costs and taxes incurred in relation thereto amounting to Rs.50.18 lakhs) from its retained earnings. In accordance with section 69 of the Companies Act, 2013, the Company has transferred an amount of Rs. 0.53 lakhs to capital redemption reserve which is equal to the nominal value of the shares bought back, as an appropriation from retained earnings.

### **NOTE 45**

#### **SOCIAL SECURITY CODE 2020**

The implementation of the Code on Social Security, 2020 is getting postponed. The Company will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.

### **NOTE 46**

#### **EXCEPTIONAL ITEM**

During the previous year, the company sold the investment property for Rs. 321.77 Lakhs and the gain of Rs. 51.96 Lakhs has been recognised and disclosed as exceptional item.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTE 47 RATIOS

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Sr. No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	3.70	4.21	-12%	
2	Debt Equity Ratio	Total Debt (including lease liability)	Total shareholder equity	Not applicable	Not applicable	Not applicable	
3	Debt Service Coverage Ratio	Earning available for debt service (Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)	Debt Service = Interest & Lease Payments + Principal Repayments	202.30	102.62	97%	Interest has reduced due to lesser cash credit utilisation during the year.
4	Return on Equity Ratio	Profit after Tax	Average Shareholders Equity	10%	14%	-32%	The operational cost has increased
5	Inventory Turn over Ratio	Cost of goods sold	Average inventory	1.26	0.94	34%	Due to increase in direct costs.
6	Trade Receivable Turn over Ratio	Net Credit Sales	Average Accounts Receivable	20.10	30.19	-33%	Due to timing difference in sales compared to previous year.
7	Trade Payable Turn over Ratio	Net Credit Purchases	Average Accounts Payable	3.64	4.21	-14%	
8	Net Capital Turn over Ratio	Net Sales (Sales minus sales return)	Average Working Capital	1.06	1.29	-18%	
9	Net Profit Ratio	Net Profit (Net profit after tax)	Net Sales (Sales minus sales return)	16%	23%	-27%	The operational cost has increased
10	Return on Capital Employed Ratio	EBIT	Capital Employed (Tangible net worth + Total debt + Deferred Tax Liability)	13%	19%	-29%	The operational cost has increased
11	Return on Investment						
	- Current	Net return on investment	Average investment	4%	10%	-60%	Mainly due to the Change in Market Value of Current Investments
	- Non-current *	Net return on investment	Average investment	-4.56%	0.00%	-210924%	Based on fair valuation considered in current year.

\* Does not include investments in Associates / Joint venture.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2022

### NOTE 48

#### OTHER STATUTORY INFORMATION

- (i) The company has identified transactions with Struck-off companies by comparing company's counter parties with publicly available database of struck of companies through a manual name search. Based on such a manual search, no party identified to be reported in the financial statements.
- (ii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) The company has done registration of charges or satisfaction with ROC within the statutory period during the year.
- (iv) The insignificant differences between the quarterly return of inventories and receivables submitted to the banks and the books of account, did not affect the drawing power for the actual borrowing and the required security cover computed in accordance with the sanctioned terms.

### NOTE 49

#### DEPOSITS AND ADVANCES IN THE NATURE OF LOANS TO ASSOCIATES / JV

Particulars	Nature	31 - Mar - 22		31 - Mar - 21	
		Maximum Amount outstanding during the year	Balance outstanding	Maximum Amount outstanding during the year	Balance outstanding
AVT Natural Products Limited	Associate	-	-	-	-
Midland Corporate Advisory Services Private Limited	Associate	-	-	-	-
AVT McCormick Ingredients Private Limited	Joint Venture	-	-	-	-

\* There were no deposits and advances in the nature of loans made by company to the firms/companies in which directors are interested.

As per our Report of even date attached

For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Registration No. 003990S/S200018

**T. V. Balasubramanian**  
Partner

Place : Chennai  
Date : 30.05.2022

Membership No. 027251  
UDIN : 22027251AJXKIY8332

For and on behalf of the Board of Directors

**Shanthi Thomas**  
Executive Director  
DIN : 00567935

**Deepak G. Prabhu**  
Chief Financial Officer

**Ajit Thomas**  
Chairman  
DIN : 00018691

**S. Lakshmi Narasimhan**  
Company Secretary  
Membership No. A35541

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

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### NOTE 50 DIVIDENDS

Dividends paid during the year 2021-22 represent final dividend of 300% declared for the financial year 2020-21 amounting to Rs.186.63 lakhs and interim dividend at the rate of 100% amounting to Rs. 62.21 Lakhs

The dividends declared by the Company are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of the Company. Subsequent to March 31, 2022, the Board of Directors of Company have proposed a final dividend of Rs. 20 per share (200%) in respect of financial year 2021-22. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs. 124.42 Lakhs.

### NOTE 51

Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period.

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As per our Report of even date attached  
For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Registration No. 003990S/S200018  
**T. V. Balasubramanian**  
Partner  
Place : Chennai  
Date : 30.05.2022

Membership No. 027251  
UDIN : 22027251AJXKIY8332

For and on behalf of the Board of Directors  
**Shanthi Thomas**  
Executive Director  
DIN : 00567935  
**Deepak G. Prabhu**  
Chief Financial Officer

**Ajit Thomas**  
Chairman  
DIN : 00018691  
**S. Lakshmi Narasimhan**  
Company Secretary  
Membership No. A35541

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**CONSOLIDATED STATEMENTS**

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

*To the members of Neelamalai Agro Industries Limited*

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Neelamalai Agro Industries Limited (hereinafter referred to as the 'Holding Company') its associates and joint venture, which comprise the consolidated Balance Sheet as at 31 March 2022, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of another auditor on financial statements and on the other financial information of one associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company, its associates and Joint Venture as at 31 March 2022, and their consolidated profit, consolidated total comprehensive income, their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Holding Company, its associates and joint venture in accordance with the *Code of Ethics* issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained and evidence obtained by another auditor in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<p><b>Accounting for Government Grants</b></p> <p>The Holding Company is entitled to apply for and seek support from Tea Board towards Replanting expenditure, Rejuvenation Expenditure and also in respect of Orthodox manufacture. Further, the company is also entitled for Merchandise Exports from India Scheme incentives on exports.</p> <p>There are uncertainties attached to these government grants in respect of the timing and quantum of approvals based on the processing of the applications</p>	<p><b>Principal audit procedures:</b></p> <ul style="list-style-type: none"> <li>• We have evaluated the Holding Company's process of determining the point of reasonable certainty in recognition of the grants, for different categories of grants and the robustness with which this process is consistently applied.</li> <li>• Our review also included the estimation process in terms of the grant amounts recorded as receivable and the process of re-evaluating the same at each period end</li> <li>• We also reviewed the disclosures made in the financial statements in terms of the policy and the treatment of the grants in terms of capital grants and revenue grants</li> </ul>
2.	<p><b>Unobservable or interpolated inputs used for the valuation of certain level 3 investments</b></p> <p>Given the ongoing market volatility and macroeconomic uncertainty, investment valuation is an area of inherent risk. The risk is not uniform for all investment types and is greatest for unquoted investments where the investments are hard to value because quoted prices are not readily available.</p> <p>The Company's accounting policies in respect of financial assets are included in the Company's accounting policies while the disclosures are included in Note No. 40 to the consolidated financial statements.</p>	<p><b>Principal audit procedures:</b></p> <ul style="list-style-type: none"> <li>• We assessed both the methodology and assumptions used by management in the calculation of the year end values of the investments as well as testing the governance controls that the Directors have in place to monitor these processes.</li> <li>• The testing included performing, amongst others, the following procedures:                             <ul style="list-style-type: none"> <li>○ Evaluating the methodology and assumptions in the valuation models;</li> <li>○ Comparing the assumptions used against appropriate benchmarks and enquiring into significant differences;</li> <li>○ Wherever available, recent transactions in the unquoted investments are appropriately considered.</li> </ul> </li> </ul>



# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

*To the members of Neelamalai Agro Industries Limited*

Sr. No.	Key audit matters	How our audit addressed the key audit matter
3.	<p><b>Revenue recognition in associate and joint venture:</b></p> <p>In case of one associate and joint venture, revenue from sale of goods is recognized when the control of the goods has transferred to the customer and when there are no longer any unfulfilled obligations to the customer.</p> <p>The accounting policies provide additional information on how the one associate and joint venture accounts for its revenue in compliance with Ind AS 115.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• Considering the appropriateness of the one associate and joint venture's accounting policies regarding revenue recognition, by comparing with applicable accounting standards.</li> <li>• Testing the design, implementation and operating effectiveness of the one associate and joint venture's general IT controls and key IT/manual application controls over the one associate and joint venture's systems which govern recording of revenue in the general ledger accounting system.</li> <li>• Performing substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year (also before and after the financial year end) by verifying the underlying documents, which include sales invoices/contracts and shipping documents.</li> <li>• Selecting a sample on test check basis of revenue transactions and contracts with customers to re-check that sales accounting was calculated in accordance with the contract conditions.</li> <li>• Selecting a sample of credit note issued to the customers during the year and verifying the same is in accordance with terms of agreement with the customers.</li> <li>• Performed data analytical procedures to identify and evaluate a sample of manual journal entries.</li> <li>• Traced disclosure information to accounting records and other supporting documentation.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis Report but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and

consolidated cash flows of the Holding Company including its Associates and Joint Venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Holding Company, its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of Holding Company, its associates and joint venture are responsible for assessing the ability of the Holding Company, its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

*To the members of Neelamalai Agro Industries Limited*

The respective Board of Directors of the Holding Company, its associates and joint venture are responsible for overseeing the financial reporting process of the Holding Company, its associates and joint venture.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the the Holding Company, its one associate company and joint venture, which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company, its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Holding Company, its associates and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company, its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For one entity included in the consolidated financial statements, which has been audited by another auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by him.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

### **Other Matters**

The consolidated financial statements include the Holding Company's share of net profit (including other comprehensive income) of Rs. 30.28 Lakhs for the year ended 31 March 2022, as considered in the consolidated financial

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

*To the members of Neelamalai Agro Industries Limited*

statements, in respect of one associate whose financial statements have not been audited by us. These financial statements have been audited by another auditor whose reports has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the associate is based solely on the reports of the another auditor.

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matter specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of another auditor on separate financial statements and other financial information of one associate, as noted in the 'Other matters' paragraph, we report, to the extent applicable, that:
    - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of another auditor.
    - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
    - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
    - e) On the basis of the written representations received from the directors of the Holding Company, its associates and joint venture company incorporated in India as on 31 March 2022 taken on record by the Board of Directors of respective company, none of the directors of the Holding Company, its associates and joint venture incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company, its one associate and joint venture company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial reporting of those companies, for reasons stated therein.
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of another auditor on standalone financial statements of one associate company, as noted in the 'Other Matters' paragraph:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company, its associates and joint venture – Refer Note 38 to the consolidated financial statements;
    - ii. The Holding Company did not have any material foreseeable losses on long-term contracts including derivative contracts and an associate and joint venture have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its associate companies and joint venture incorporated in India;
    - iv. (a) The respective management of Holding Company, its associate company and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and another auditor of one associate company respectively that, to the best of their knowledge and belief, as disclosed in the Note 49 to the consolidated financial statements, no funds have been advanced or loaned or

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

*To the members of Neelamalai Agro Industries Limited*

- invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its associate companies and joint venture company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its associate companies and joint venture company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The respective management of the Holding Company, its associate company and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and another auditor of one associate company respectively, that, to the best of their knowledge and belief, as disclosed in the Note 50 to consolidated financial statements, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its associate companies and joint venture company incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and that performed by another auditor of an associate company which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement; and
- v. As stated in note 51 to the Consolidated Financial Statements,
- a. The final dividend paid by the Holding Company, one associate company and one joint venture company incorporated in India during the year for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- b. The interim dividend declared and paid by the Holding Company and one associate company incorporated in India during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.
- c. The Board of Directors of the Holding Company, one associate company and one joint venture company incorporated in India have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- h) As required by Section 197(16) of the Act, we report that the remuneration paid by the Holding Company and one associate company incorporated in India (for one associate and joint venture this section does not apply) to its directors is in accordance with the prescribed provisions of Section 197 of the Act

**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**T V Balasubramanian**  
Partner

Chennai  
30.05.2022

Membership No.027251  
UDIN: 22027251AJXKTR3773

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Neelamalai Agro Industries Limited ("the Company") on the consolidated financial statements as of and for the year ended 31 March 2022.

(i) As required by Paragraph (xxi) of Companies (Auditor's Report) Order (CARO), there have been no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements except:

Sr. No	Name	CIN	Associate/Joint Venture	Clause number of the CARO report which is qualified or adverse
1	AVT Natural Products Limited	L15142TN1986PLC012780	Associate company	(vii) (a)
2	AVT McCormick Ingredients Private Limited	U51225TN1993PTC026433	Joint venture company	(vii) (a)

Above responses in respect of clause 3(xxii) do not include comments in respect of those entities for which the said order is not applicable.

**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No.003990S/S200018

**T V Balasubramanian**  
Partner

Chennai  
30.05.2022

Membership No.027251  
UDIN: 22027251AJXKTR3773

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of Neelamalai Agro Industries Limited

**Report on the Internal Financial Controls with reference to Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Neelamalai Agro Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial reporting of the Holding Company and its one associate company and the joint venture company, which are companies incorporated in India and for which this requirement applies, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding company, one associate and one joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient

conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to financial reporting included obtaining an understanding of internal financial controls with reference to

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

*To the members of Neelamalai Agro Industries Limited*

financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial reporting of the Holding Company, one associate company and one joint venture, which are companies incorporated in India.

### **Meaning of Internal Financial Controls with reference to standalone financial statements**

A company's internal financial control with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may

occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial reporting to future periods are subject to the risk that the internal financial control with reference to financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, one associate company and one joint venture, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial reporting and such internal financial controls with reference to financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial Reporting issued by the Institute of Chartered Accountants of India.

**For PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

**T V Balasubramanian**

Partner

Chennai

30.05.2022

Membership No.027251

UDIN: 22027251AJXKTR3773

# CONSOLIDATED BALANCE SHEET

*As at 31st March 2022*

All amounts are in INR Lakhs, unless otherwise stated

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
<b>Assets</b>			
<i>Non-current Assets</i>			
Property, plant and equipment	4	324.53	552.23
Capital work in progress	4	118.10	116.08
Investment property	5	-	-
Investments accounted for using the equity method	6	17,349.76	14,655.86
Financial assets			
i) Investments	6	1,109.64	943.67
ii) Loans	7	0.85	3.48
iii) Other financial assets	8	14.51	17.56
Deferred tax assets (net)	9	55.39	32.30
<b>Total non-current assets</b>		<b><u>18,972.78</u></b>	<b><u>16,321.18</u></b>
<i>Current Assets</i>			
Inventories	11	463.10	381.48
Biological assets other than bearer plants	12	19.98	40.39
Financial assets			
i) Investments	13	2,820.53	2,764.80
ii) Trade receivables	14	182.41	98.89
iii) Cash and cash equivalents	15	18.57	30.97
iv) Bank balances other than cash and cash equivalents	15	88.44	96.75
v) Loans	7	0.68	1.36
vi) Other financial assets	8	20.50	20.50
Other current assets	10	115.71	73.53
Assets held for sale		251.39	-
<b>Total current assets</b>		<b><u>3,981.31</u></b>	<b><u>3,508.67</u></b>
<b>Total assets</b>		<b><u>22,954.09</u></b>	<b><u>19,829.85</u></b>
<i>Equity</i>			
Equity Share Capital	17	62.21	62.21
Other Equity	18	21,811.52	18,930.49
<b>Total equity</b>		<b><u>21,873.73</u></b>	<b><u>18,992.70</u></b>
<b>Non-current liabilities</b>			
Provisions	19	5.49	4.53
<b>Total non-current liabilities</b>		<b><u>5.49</u></b>	<b><u>4.53</u></b>
<i>Current Liabilities</i>			
Financial Liabilities			
i) Trade payables	20		
Total outstanding dues of micro and small enterprises		11.12	13.50
Total outstanding dues of creditors other than micro and small enterprises		116.44	148.53
ii) Other financial liabilities	21	226.87	244.06
Other current liabilities	22	289.00	42.51
Provisions	19	422.73	337.35
Liabilities for current tax (net)		8.71	46.67
<b>Total current liabilities</b>		<b><u>1,074.87</u></b>	<b><u>832.62</u></b>
<b>Total liabilities</b>		<b><u>1,080.36</u></b>	<b><u>837.15</u></b>
<b>Total equity and liabilities</b>		<b><u>22,954.09</u></b>	<b><u>19,829.85</u></b>
Summary of significant accounting policies	3		
See accompanying notes to the consolidated financial statements			
As per our Report of even date attached		For and on behalf of the Board of Directors	
For PKF Sridhar & Santhanam LLP Chartered Accountants Firm's Registration No. 003990S/S200018		Shanthi Thomas Executive Director DIN : 00567935	Ajit Thomas Chairman DIN : 00018691
T. V. Balasubramanian Partner		Deepak G. Prabhu Chief Financial Officer	S. Lakshmi Narasimhan Company Secretary Membership No. A35541
Place : Chennai	Membership No. 027251		
Date : 30.05.2022	UDIN: 22027251AJXKTR3773		

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

*For the Year Ended 31st March 2022*

All amounts are in INR Lakhs, unless otherwise stated			
Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
I Revenue From Operations	23	2,956.76	2,945.02
II Other Income	24	<u>166.23</u>	<u>246.19</u>
<b>III Total Income (I+II)</b>		<b><u>3,122.99</u></b>	<b><u>3,191.21</u></b>
<b>IV EXPENSES</b>			
Cost of materials consumed	25	530.73	485.53
Purchases of stock-in-trade	26	0.83	0.97
Change in inventories	27	(94.14)	313.36
(Gain) / loss on transformation of biological asset		20.41	(31.05)
Employee benefits expense	28	1,498.09	1,329.42
Finance costs	29	2.76	7.11
Depreciation expense	30	74.55	66.48
Other expenses	31	<u>1,101.36</u>	<u>782.63</u>
<b>Total expenses (IV)</b>		<b><u>3,134.59</u></b>	<b><u>2,954.45</u></b>
V Profit / (loss) before exceptional items, share of net profits of investments accounted for using equity method and tax (III - IV)		(11.60)	236.76
VI Exceptional items (refer note 48)		-	51.96
<b>Profit / (loss) before share of net profits of investments accounted for using equity method and tax (V + VI)</b>		<b>(11.60)</b>	<b>288.72</b>
VII Share of net profits of associates and joint ventures accounted for using equity method		3,381.11	2,239.99
<b>VIII Profit before tax (VI+VII)</b>		<b>3,369.51</b>	<b>2,528.71</b>
<b>IX TAX EXPENSES :</b>	33		
(1) Current tax		127.10	158.07
(2) Deferred tax		<u>(9.20)</u>	<u>20.92</u>
<b>X Profit for the year</b>		<b><u>3,251.61</u></b>	<b><u>2,349.72</u></b>
<b>XI Other Comprehensive Income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
(i) Changes in fair value of FVOCI investments		(46.85)	-
(ii) Remeasurement of the post-employment benefit obligations		(14.90)	(11.05)
(iii) Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(23.11)	(8.55)
(iv) Income tax relating to items that will not be reclassified to profit or loss		13.89	3.07
<b>B. Items that will be reclassified to profit or loss</b>			
(i) Share of other comprehensive income of associates and joint ventures accounted for using the equity method (net of tax)		<u>(50.79)</u>	<u>82.94</u>
<b>Other comprehensive Income for the year, net of tax</b>		<b><u>(121.76)</u></b>	<b><u>66.41</u></b>
<b>XII Total Comprehensive Income for the year (X + XI)</b>		<b><u>3,129.85</u></b>	<b><u>2,416.13</u></b>
<b>XIII Earnings per Equity Share (Face Value of Rs. 10/- each)</b>			
(1) Basic	34	522.71	374.65
(2) Diluted	34	522.71	374.65
Summary of significant accounting policies	3		
See accompanying notes to the consolidated financial statements			
As per our Report of even date attached		For and on behalf of the Board of Directors	
For PKF Sridhar & Santhanam LLP Chartered Accountants Firm's Registration No. 003990S/S200018		Shanthi Thomas Executive Director DIN : 00567935	Ajit Thomas Chairman DIN : 00018691
T. V. Balasubramanian Partner		Deepak G. Prabhu Chief Financial Officer	S. Lakshmi Narasimhan Company Secretary Membership No. A35541
Place : Chennai	Membership No. 027251		
Date : 30.05.2022	UDIN: 22027251AJXKTR3773		



## CONSOLIDATED STATEMENT OF CASH FLOW

*For the year ended 31st March 2022*

	Year ended 31 March 2022	Year ended 31 March 2021
All amounts are in INR Lakhs, unless otherwise stated		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,369.51	2,528.71
Adjustments for:		
Depreciation and amortisation	74.55	66.48
(Profit) / Loss on sale of investments	(52.48)	(8.71)
(Profit) / Loss on sale of assets	(0.54)	(0.53)
Share of net profit of associates and joint ventures accounted for using equity method	(3,381.11)	(2,239.99)
Profit on sale of investment property	-	(51.96)
Fair value gains recognised on investments	(109.13)	(230.34)
Fair value changes to Biological assets	20.41	(31.05)
Interest Income	(0.83)	(1.34)
Dividend Income	(2.60)	(3.95)
Finance Cost	2.76	7.11
Unrealised net foreign exchange difference	0.44	(0.46)
<b>Operating profit before working capital changes</b>	<b>(79.02)</b>	<b>33.97</b>
<b>Adjustments for working capital changes</b>		
(Increase) / Decrease in inventories	(81.62)	271.41
(Increase) / Decrease in loans	3.31	1.43
(Increase) / Decrease in other current assets	(42.18)	72.29
(Increase) / Decrease in other non-current assets	-	(10.22)
(Increase) / Decrease in non-current financial assets	3.05	0.96
(Increase) / Decrease in current financial assets	-	23.18
(Increase) / Decrease in trade and other receivables	(83.96)	(4.11)
Increase / (Decrease) in other financial liabilities	(17.19)	9.12
Increase / (Decrease) in other liabilities	(8.51)	16.68
Increase / (Decrease) in trade payables	(34.47)	90.05
Increase / (Decrease) in provisions	71.44	68.63
	<b>(269.15)</b>	<b>573.39</b>
Net income tax (paid) / Refunded (net)	(165.06)	(105.82)
<b>Net cash (used) / generated in operating activities (A)</b>	<b>(434.21)</b>	<b>467.57</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant & equipment (including capital work in progress)	(100.30)	(76.18)
Proceeds from disposal of property, plant & equipment	0.58	3.81
Proceeds from sale of investment property	-	321.78
Advance received for sale of asset	255.00	
Interest income	0.83	1.34
Dividend received on investment in associates and joint ventures	613.31	553.44
Dividend received on non-current investment	0.04	0.02
Dividend received on current investment	2.56	3.93
Purchase of non-current investments	(212.82)	(37.79)
Investment in Shares & Mutual Funds (Net)	105.88	(1,325.40)
(Investment in) / Proceeds from bank balances not considered as cash and cash equivalents	8.31	19.95
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>673.39</b>	<b>(535.10)</b>

## CONSOLIDATED STATEMENT OF CASH FLOW

*For the year ended 31st March 2022*

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All amounts are in INR Lakhs, unless otherwise stated

	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
<hr/>		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES*</b>		
Interest paid	(2.76)	(7.11)
Dividend Paid including dividend distribution tax	(248.82)	(62.74)
Buy-back of equity shares (Refer note no. 46)	-	(84.61)
Buy-back costs including tax (Refer note no. 46)	-	(50.18)
<b>Net cash used in financing activities (C)</b>	<b>(251.58)</b>	<b>(204.64)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(12.40)</b>	<b>(272.17)</b>
Cash and cash equivalents at the beginning of the year	30.97	303.14
<b>Cash and cash equivalents at the end of the year</b>	<b>18.57</b>	<b>30.97</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	0.24	0.46
Balances with bank in current account	17.93	30.51
In deposit account	0.40	-
	<b>18.57</b>	<b>30.97</b>

\* Refer foot note for Net Debt Reconciliation.

**Notes:**

- 1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flows.
- 2 The figures in brackets represent cash outflow.

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See accompanying notes to the consolidated financial statements

As per our Report of even date attached  
For **PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm's Registration No. 003990S/S200018  
**T. V. Balasubramanian**  
Partner  
Place : Chennai                      Membership No. 027251  
Date : 30.05.2022                      UDIN: 22027251AJXKTR3773

For and on behalf of the Board of Directors

<b>Shanthi Thomas</b> Executive Director DIN : 00567935	<b>Ajit Thomas</b> Chairman DIN : 00018691
<b>Deepak G. Prabhu</b> Chief Financial Officer	<b>S. Lakshmi Narasimhan</b> Company Secretary Membership No. A35541

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## CONSOLIDATED STATEMENT OF NET DEBT RECONCILIATION

*For the year ended 31st March 2022*

All amounts are in INR Lakhs, unless otherwise stated

### \*Net debt reconciliation

Particulars	31-Mar-22	31-Mar-21
Net debt		
Cash and cash equivalents	18.57	30.97
Current Investment	2,820.53	2,764.80
Current Borrowings	-	-
<b>Net (debt)/ Cash &amp; Cash Equivalents</b>	<b>2,839.10</b>	<b>2,795.77</b>

	Accrued during the Year		Paid during the Year	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Finance Cost</b>				
Interest on Short term borrowings	1.65	1.26	1.65	1.26
<b>Total</b>	<b>1.65</b>	<b>1.26</b>	<b>1.65</b>	<b>1.26</b>

	Other Assets		Borrowings	
	Cash and cash equivalents	Current Investments	Short Term Borrowings	Total Net borrowings
<b>Net (debt)/ Cash &amp; Cash Equivalents as at 1st April 2020</b>	<b>303.14</b>	<b>1,200.35</b>	-	<b>1,503.49</b>
Cash Flows	(272.17)	1,325.40	-	1,053.23
Unrealised fair value gains on current investments	-	230.34	-	230.34
Profit on sale of investment	-	8.71	-	8.71
Interest expense	-	-	(1.26)	(1.26)
Interest paid	-	-	1.26	1.26
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2021</b>	<b>30.97</b>	<b>2,764.80</b>	-	<b>2,795.77</b>
Cash Flows	(12.40)	(105.88)	-	(118.28)
Unrealised fair value gains on current investments	-	109.13	-	109.13
Profit on sale of investment	-	52.48	-	52.48
Interest expense	-	-	(1.65)	(1.65)
Interest paid	-	-	1.65	1.65
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2022</b>	<b>18.57</b>	<b>2,820.53</b>	-	<b>2,839.10</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the Period ended 31st March 2022*

All amounts are in INR Lakhs, unless otherwise stated

### A. Equity Share Capital

	Amount
<b>Balance as at 1st April 2020</b>	<b>62.74</b>
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	62.74
Buyback of equity shares during the year [Refer Note no. 46]	(0.53)
<b>Balance as at 1st April 2021</b>	<b>62.21</b>
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	62.21
Changes in equity share capital due to prior period errors	-
<b>Restated balance as at April 1, 2021</b>	<b>62.21</b>
Changes in equity share capital during the year	-
<b>Balance as at 31st March 2022</b>	<b>62.21</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the Period ended 31st March 2022*

All amounts are in INR Lakhs, unless otherwise stated

## B. Other Equity

	Reserves and Surplus				Items of Other Comprehensive Income			Total
	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	FVOCI - equity investments	Cash flow Hedging Reserve	Foreign Currency Translation Reserve	
<b>Balance as at 31st March 2020</b>	27.27	0.14	8,625.24	8,278.92	(54.00)	(170.90)	4.69	16,711.36
Changes in accounting policy or prior period items	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2020	27.27	0.14	8,625.24	8,278.92	(54.00)	(170.90)	4.69	16,711.36
Profit for the year	-	-	-	2,349.72	-	-	-	2,349.72
Remeasurement of the post-employment benefit obligations and tax thereon	-	-	-	(7.98)	-	-	-	(7.98)
Other comprehensive income for the year	-	-	-	(8.55)	-	-	-	(8.55)
Share of Other comprehensive income of associates /JV, net of tax	-	-	-	-	-	130.42	(47.48)	82.94
<b>Total comprehensive income for the year</b>	-	-	-	2,333.19	-	130.42	(47.48)	2,416.13
<b>Transactions with owners in their capacity as owners:</b>								
- Amount utilised for buy-back of equity shares (Refer note no. 46)	-	-	-	(84.08)	-	-	-	(84.08)
- Transferred from securities premium to capital redemption reserve on buy-back of equity shares (Refer note no 46)	0.53	-	-	(0.53)	-	-	-	-
- Transaction costs related to buy-back of equity shares (Refer note no. 46)	-	-	-	(50.18)	-	-	-	(50.18)
Transfer to General Reserve	-	-	500.00	(500.00)	-	-	-	-
Dividends	-	-	-	(62.74)	-	-	-	(62.74)
<b>Balance as at 1st April 2021</b>	27.80	0.14	9,125.24	9,914.58	(54.00)	(40.48)	(42.79)	18,930.49
Changes in accounting policy or prior period items	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2021	27.80	0.14	9,125.24	9,914.58	(54.00)	(40.48)	(42.79)	18,930.49
Profit for the year	-	-	-	3,251.61	-	-	-	3,251.61
Remeasurement of the post-employment benefit obligations and tax thereon	-	-	-	(10.75)	-	-	-	(10.75)
Other comprehensive income for the year	-	-	-	(23.11)	(37.11)	-	-	(60.22)
Share of Other comprehensive income of associates /JV, net of tax	-	-	-	-	-	2.60	(53.39)	(50.79)
<b>Total comprehensive income for the year</b>	-	-	-	3,217.75	(37.11)	2.60	(53.39)	3,129.85
Transfer to General Reserve	-	-	-	-	-	-	-	-
Dividends	-	-	-	(248.82)	-	-	-	(248.82)
<b>As At 31 March 2022</b>	27.80	0.14	9,125.24	12,883.51	(91.11)	(37.88)	(96.18)	21,811.52

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

As per our Report of even date attached

For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Registration No. 003990S/S200018

**T. V. Balasubramanian**  
Partner

Place : Chennai  
Date : 30.05.2022

Membership No. 027251  
UDIN: 22027251AJXKTR3773

For and on behalf of the Board of Directors

**Shanthi Thomas**  
Executive Director  
DIN : 00567935

**Deepak G. Prabhu**  
Chief Financial Officer

**Ajit Thomas**  
Chairman  
DIN : 00018691

**S. Lakshmi Narasimhan**  
Company Secretary  
Membership No. A35541

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES

### 1. GENERAL INFORMATION

Neelamalai Agro Industries Limited (referred as the “the Holding Company”) was incorporated on 21st April 1943 under the Indian Companies Act 1913. The Holding Company is in Tea Plantation Business of cultivating Tea, its manufacturing and sale, both domestic and export. Its Registered Office and Principal place of business is at Katary Estate, Katary Post Coonor, Nilgiris, Tamil Nadu – 643213.

The Holding Company is listed on the Bombay Stock Exchange.

This Consolidated Financial Statement includes the results of its associates and its joint venture as under:

a) Associates:

AVT Natural Products Limited including its subsidiaries and step-down subsidiaries.

Midland Corporate Advisory Services Private Limited

b) Joint Venture:

AVT McCormick Ingredients Private Limited

The consolidated financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 30, 2022.

### 2. Basis of Preparation

The consolidated financial statements of the Holding Company, associates and joint venture have been prepared in accordance with Indian Accounting Standards (“Ind AS”) issued under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and guidelines issued by the Securities and Exchange Board of India (SEBI), under the historical cost convention on the accrual basis except for certain items which are measured at fair values.

The accounting policies as set out below have been applied consistently except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Holding Company, associates and joint ventures’ normal operating cycle and other criteria set out in Division II of the Schedule III to the Companies Act 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Holding Company, associates and joint venture has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 2.1 Critical judgements & Estimates in applying accounting policies

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumptions having the most significant effect on the amounts recognized in consolidated financial statements are as follows:

- **Estimation of uncertainties relating to the global health pandemic from COVID-19**

On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple ‘lock-downs’ including some period in the current financial year.

The economy has been impacted during the previous and current year on account of COVID-19.

The Holding Company, associates and joint venture have also assessed the possible impact of COVID-19 in preparation of the consolidated financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its investments, financial and non-financial assets and impact on revenues and costs. The Holding Company, associates and joint venture have considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

- **Useful lives of property, plant and equipment and intangible assets:**

The Holding Company, associates and joint venture has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Holding Company, associates and joint venture reviews the carrying amount of property, plant and equipment and Intangible assets at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Taxation:**

Significant judgement is involved in determining the tax liability for the Holding Company, associates and joint venture which includes interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Also, there are many transactions and calculation during the ordinary course of business for which the ultimate tax determination is uncertain. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss. Further judgement is involved in determining the deferred tax position on the balance sheet date

- **Defined benefit plans:**

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

- **Provisions & Contingencies:**

Provisions and contingencies are based on the Holding Company, associates and joint venture Management's best estimate of the liabilities based on the facts known at the balance sheet date.

From time to time, the Holding Company, associates and joint venture is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Fair Value of financial instruments:**

The fair value of financial instruments that are unlisted and not traded in active market and biological assets (including agricultural produce) is determined at value assessed based on recent transaction entered into with third party or based on the valuation done by the external appraisers. Where it is not possible to determine a reliable estimate of fair value, the carrying value is determined based on acquisition cost.

## 2.2 New standards notified and adopted by the Holding Company, associates and joint venture:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

### **Ind AS 16 – Proceeds before intended use**

The amendment clarifies that an entity shall deduct from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.

### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability.

### Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Holding Company, its associates and joint venture do not expect these amendments to have any significant impact in its financial statements.

## 2.3 Functional and Presentation Currency

Items included in consolidated financial statements of the Holding Company, associates and joint venture are measured using the currency of the primary economic environment in which the Holding Company, associates and joint venture operates (“the functional currency”). Indian rupee is the functional currency of the Holding Company, associates and joint venture.

The Financial Statements are presented in Indian Rupees which is Holding Company, associates and joint venture’s presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest Lakhs with two decimals except where otherwise indicated.

## 2.4 Principles of equity accounting

AVT Natural Products Limited and Midland Corporate Advisory Services Private Limited are considered as Associates considering the fact that it holds significant shareholding / significant influence over these companies. Interest in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet. In respect of investment in AVT McCormick Ingredients Private Limited, on transition to Ind AS, the investment has been evaluated to be a Joint Venture in view of the investment in this company being in terms of the joint venture agreement by companies under common control with McCormick group of the USA.

## 3 Summary of significant accounting policies

### 3.1 Property, plant and equipment:

#### a. Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss based on cost model. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost also includes taxes and duties for which credit is not available, freight and other direct or allocated expenses during construction period, net of any income earned.

Bearer Plants are recognised under property, plant & equipment on the fulfilment of the following conditions:

- It is used in the production or supply of the agricultural produce.
- Is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants are recognised at historical costs less depreciation. Cost of tea bushes includes expenditure incurred for planting and maintenance of the tea bushes, till the tea bushes reach commercial tea leaves bearing ability and the cost of the tea bushes/ seeds replanted. Based on the recommendation of the experts the non-bearing period of the tea bushes has been determined at 5 - 7 years from the year of planation of the tea bushes.

Replanted tea bushes are considered ready for their intended use from the beginning of the fifth – seventh financial year following the financial year in which the planting was undertaken. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Costs of rejuvenation pruning are recognised in the statement of profit and loss in the period in which the costs are incurred.

#### Subsequent costs

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Holding Company, associates and joint venture depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. The cost and related accumulated depreciation are eliminated from the financial statements upon sale / retirement or designation as assets held for sale, of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

### b. Depreciation:

Tangible property, plant & equipment are depreciated on written down method adopting the useful life & residual value as specified in Schedule II of the Companies Act 2013, except in respect of Tea Bushes and Farm Field Equipments for which useful life has been determined based on technical evaluation by the management. In respect of additions to / deletions from the property, plant and equipment, depreciation is provided on pro-rata basis with reference to the month of addition/deletion of the Assets.

Useful life adopted based on technical evaluation are as under:

Class of property, plant and equipment	Useful life
Tea Bushes	50 years
Farm Field Equipments	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

### 3.2 Impairment of non-financial assets

At the end of each reporting period, the Holding Company, associates and joint venture reviews the carrying amounts of its non-financial asset to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

For the purposes of assessing impairment, assets are grouped at the lowest possible levels for which there are independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flow are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

### 3.3 Inventories

Inventories are valued as under:

#### a. Raw materials, Packing materials, Stores & Spares:

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis . The aforesaid items are valued below cost if the finished products in which they are to be incorporated are expected to be sold at a loss.

#### b. Work in Progress:

At cost or net realizable value, whichever is lower. Cost is determined on weighted average basis.

#### c. Finished Goods

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis.

Cost includes direct material cost, direct labour cost, taxes and duties for which credit is not available, freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

Finished goods comprising agricultural produce that the Holding Company has harvested from its biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of the purchased inventory are determined after deducting rebates and discounts. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

### 3.4 Employee benefits - Retirement benefit costs and termination benefits

#### 3.4.1 Defined Contribution Plans

Payment to defined contribution retirement benefit plans i.e., Provident Fund & Superannuation Schemes are recognised as an expense in the statement of profit and loss when employees have rendered service entitling them to the contributions. The Superannuation scheme are funded with an insurance Company in the form of a qualifying insurance policy.

#### 3.4.2 Defined Benefit Plans

The Holding Company, associates and joint venture have a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post-employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Holding Company, associates and joint venture. The aforesaid liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the financial year. The scheme is funded with an insurance company, in the form of a qualifying insurance policy.

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit cost are categorised as follows:

- Service cost (including current service cost, as well as gains and losses on curtailments and settlement)
- Net interest expense or income
- Remeasurement

The Holding Company, associates and joint venture presents the first two components of defined benefit cost in profit or loss in the line item 'employee benefit expense'. Curtailment gains or losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Holding Company, associates and joint ventures' defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### 3.4.3 Compensated Absences

The Holding Company, associates and joint venture has a scheme for compensated absences for employees. Which is a long term employee benefit, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

#### 3.4.4 Short term benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Holding Company, associates and joint venture has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

### 3.5 Financial Instruments

#### 3.5.1 Financial Assets

##### a) Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are at fair value are adjusted through profit or loss. Purchase and sale of financial assets are recognised using trade date accounting.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTES (contd.)

#### b) Subsequent Measurement

##### i) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

For equity investments which are not held for trading purposes and where the Holding Company, associates and joint venture has exercised the option to classify the investment as FVTOCI, all fair value changes on the investment are recognized in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.

##### iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

#### c) Impairment of Financial Assets

The Holding Company, associates and joint venture assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

In accordance with Ind-AS 109, the Holding Company, associates and joint venture follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Holding Company, associates and joint venture to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

#### e) Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Holding Company, associates and joint ventures' balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Holding Company, associates and joint venture have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (a) the Holding Company, associates and joint venture have transferred substantially all the risks and rewards of the asset, or
  - (b) the Holding Company, associates and joint venture have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## II. Financial Liabilities

#### a) Recognition and Measurement

Financial liabilities are measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity.

#### b) Derivative financial instruments and Hedge Accounting

Foreign exchange forward contracts are entered into by the Company to mitigate the risk of changes in foreign exchange rates associated with certain payables, receivables and forecasted transactions denominated in certain foreign currencies. These derivative contracts that do not qualify for hedge accounting under Ind AS 109, are initially recognized at fair value on the date the contract is entered into and subsequently measured through statement of profit and loss. Gains or loss arising from changes in the fair value of the derivative contracts are recognized in the statement of profit and loss.

#### c) Hedge accounting

The Holding Company has not designated any hedge instruments and hence requirements under Ind AS 109 in respect of hedge accounting does not arise.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### d) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss

### e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### f) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Holding Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

## 3.6 Foreign currency

### Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were fair value measured.

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 recognised as income or expense in the statement of the profit and loss.

## 3.7 Fair value measurement

The Holding Company, associates and joint venture measures financial instruments, such as, derivatives at fair value at each balance sheet date on a portfolio basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Holding Company, associates and joint venture.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Holding Company, associates and joint venture uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Holding Company, associates and joint venture determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Holding Company, associates and joint venture has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summaries accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

### 3.8 Revenue recognition:

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

#### Sale of Goods and services:

Revenue from the sale of goods and services is recognised when the performance obligations towards customers have been met at an amount that reflects the consideration to which the company believes it is entitled to in exchange for the transfer of goods and services to customers, net of any sales returns and GST. Performance obligations are deemed to have been met when the control of goods has been transferred to the customer / benefit from the service is delivered to the customer, depending on the individual terms of the contract of sale. Considering the general terms of sales of goods and services, there is no significant financing element included in the sales consideration.

#### Subsidies and export incentives:

Subsidy for production of orthodox teas and Subsidy under export linked schemes are recognised when there is a reasonable assurance that the conditions attaching to the incentive would be complied and the incentives will be received.

### 3.9 Finance Income and expense

Finance income comprises of interest income on funds invested, dividend income and fair value gains on financial assets at fair value through profit or loss. Interest income is recognized using effective interest method. Dividend income is recognized in statement of profit and loss on date when the Holding Company, associates and joint ventures' right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expense comprises of interest expense on loans and borrowings, unwinding of discount on provision and fair value losses on financial asset through FVTPL that are recognized in the statement of profit and loss.

### 3.10 Borrowing costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Holding Company, associates and joint venture incur in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### 3.11 Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **The Holding Company, associates and joint venture as a lessee**

The Holding Company, associates and joint venture lease asset classes primarily consist of leases for premises. The Holding Company, associates and joint venture assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Holding Company, associates and joint venture assesses whether: (i) the contract involves the use of an identified asset (ii) the Holding Company, associates and joint venture has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Holding Company, associates and joint venture recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Holding Company, associates and joint venture recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Holding Company, associates and joint venture changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 3.12 Governments grants

Government incentives in the form of subsidy for replanting and rejuvenation of tea bushes extended by Tea Board of India are recognised at their fair value when there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions. Subsidy for replanting of tea bushes extended by Tea Board of India are deducted from the carrying value of property, plant and equipment.

### 3.13 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### **(i) Current tax:**

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTES (contd.)

### (ii) Deferred tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred Income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Holding Company, associates and joint venture intends to settle its current tax assets and liabilities on a net basis.

### Minimum Alternative Tax

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Holding Company will pay normal income tax during the specified period in which such credit can be set off under the income tax law. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Holding Company will pay normal income tax during the specified period.

### 3.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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.

### 3.15 Provisions & contingent liability:

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the non – current provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Holding Company, associates and joint venture, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. The Holding Company, associates and joint venture does not recognise contingent liability but discloses its existence in financial statements.

Contingent assets are disclosed in the consolidated financial statements by way of notes to accounts when an inflow of economic benefits is probable.

### 3.16 Cash flow statement:

Cash flows are reported using the indirect method, whereby, profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTES (contd.)

#### 3.17 Dividends:

Final Dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as liability on the date of declaration by the Holding Company, associates and joint venture's Board of Directors.

#### 3.18 Segment Reporting:

The Holding Company, associates and joint venture identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Holding Company, associates and joint venture. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The Holding Company operates in a single segment namely cultivation, manufacturing and marketing of tea and geographically operates primarily in a single segment.

#### 3.19 Biological assets and other bearer plants

Biological assets are measured at fair value less cost to sell. Cost to sell include incremental selling costs, including auctioneers fee, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

Tea bushes produce tea leaves. Tea leaves on the tea bushes are measured at fair value less cost to sell. The fair value of the tea leaves is determined based on the market price for the products reduced by the proportionate cost for the level of development of the biological asset as on date. Market prices of tea on bushes are based on the selling prices of green leaves and adjusted based on the quality expected of the tea leaves on tea bushes.

#### 3.20 Non-current assets or disposal group held for sale

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*for the year ended 31st March, 2022*

NOTE : 4

**Property, Plant and Equipment**

(All amounts are in INR Lakhs)

Cost	Freehold Land and Development	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Capital work in-Progress – Bearer Plants	Capital work in-Progress – Others
<b>At 31 March 2020</b>	266.71	169.67	182.18	22.49	136.90	777.95	107.18	-
Additions/Transfers	-	-	17.28	49.49	0.51	67.28	8.90	-
Subsidy received from government	-	-	-	-	-	-	-	-
Disposals/ Transfers	-	6.21	15.48	-	0.94	22.63	-	-
<b>At 31 March 2021</b>	<b>266.71</b>	<b>163.46</b>	<b>183.98</b>	<b>71.98</b>	<b>136.47</b>	<b>822.60</b>	<b>116.08</b>	-
Additions/Transfers	-	-	12.72	17.58	67.98	98.28	2.02	-
Subsidy received from government	-	-	-	-	-	-	-	-
Disposals/ Transfers	214.17	62.85	-	-	0.90	277.92	-	-
<b>At 31 March 2022</b>	<b>52.54</b>	<b>100.61</b>	<b>196.70</b>	<b>89.56</b>	<b>203.55</b>	<b>642.96</b>	<b>118.10</b>	-
<b>Depreciation and impairment</b>								
<b>At 31 March 2020</b>	-	63.66	111.78	11.69	36.11	223.24	-	-
Depreciation charge for the year	-	13.36	15.71	6.18	31.23	66.48	-	-
Disposals	-	3.66	14.76	-	0.93	19.35	-	-
<b>At 31 March 2021</b>	<b>-</b>	<b>73.36</b>	<b>112.73</b>	<b>17.87</b>	<b>66.41</b>	<b>270.37</b>	<b>-</b>	<b>-</b>
Depreciation charge for the year	-	10.77	16.88	17.42	29.48	74.55	-	-
Disposals	-	25.63	-	-	0.86	26.49	-	-
<b>At 31 March 2022</b>	<b>-</b>	<b>58.50</b>	<b>129.61</b>	<b>35.29</b>	<b>95.03</b>	<b>318.43</b>	<b>-</b>	<b>-</b>
<b>Net Block</b>								
At 31 March 2022	52.54	42.11	67.09	54.27	108.52	324.53	118.10	-
at 31 March 2021	266.71	90.10	71.25	54.11	70.06	552.23	116.08	-

Notes:

- The company does not have any leasehold property.
- Title deeds of all Immovable Properties are held in the name of the Company
- Land, Bunglows and quarters amounting to Rs. 55.24 Lakhs mortgaged as security with the bank for working capital loan sanctioned by the bank (31 March 2021: Rs. 55.24 Lakhs)
- The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. 1 April 2016 and hence the carrying amount (net block) as per previous GAAP on that date has been considered as gross block.
- Capital work-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	Amount in CWIP for a period of				Total	
	Year ended	<1 year	1-2 years	2-3 years		More than 3 years
Projects in progress *	31st March 22	2.02	8.90	12.22	94.96	118.10
	31st March 21	8.90	12.22	17.38	77.58	116.08

\* Bearer plants take around 5 -7 years to mature post which it is capitalised and depreciated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

### NOTE 5

#### INVESTMENT PROPERTY - LAND

##### Cost

At 1 April 2020	269.82
Additions	-
Disposals	(269.82)
At 31 March 2021	-
Additions	-
Disposals	-
At 31 March 2022	-
<b>Depreciation</b>	
At 1 April 2020	-
Depreciation for the year	-
At 31 March 2021	-
Depreciation for the year	-
At 31 March 2022	-
<b>Net Block</b>	
at 1 April 2021	-
at 31 March 2022	-

Fair Value of the Investment property as at 31 March 22 and 31 March 2021 is not applicable as the investment property sold during the previous year

#### Information regarding income and expenditure of Investment property

Particulars	31 March 2022	31 March 2021
Rental income derived from investment properties	---	---
Direct operating expenses (including repairs and maintenance) generating rental income	---	---
Direct operating expenses (including repairs and maintenance) that did not generate rental income	---	0.01
Profit arising from investment properties before depreciation and indirect expenses	---	---
Less – Depreciation	---	---
Profit arising from investment properties before indirect expenses	---	---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

31 March 2021

### NOTE 6

#### NON CURRENT INVESTMENTS

	Nature		
Investment in equity shares of associate / joint venture companies using equity method	Nature		
<b>Associate companies</b>			
<b>Quoted:</b>			
AVT Natural Products Limited - 6,09,13,600 shares (As at 31 March 2021 - 6,09,13,600 shares) of Rs. 1 each fully paid	Associate	14,093.45	11,754.54
<b>Unquoted:</b>			
Midland Corporate Advisory Services Private Limited - 2,50,000 shares (As at 31 March 2021 - 2,50,000 shares) of Rs. 10 each fully paid	Associate	17.68	7.72
<b>Joint Venture:</b>			
<b>Unquoted:</b>			
AVT McCormick Ingredients Private Limited - 31,50,000 shares (As at 31 March 2021 - 31,50,000 shares) of Rs. 10 each fully paid	Joint Venture	3,238.63	2,893.60
Less: Aggregate amount of impairment in the value of non-current investments		-	-
<b>Sub Total</b>		<u>17,349.76</u>	<u>14,655.86</u>
<b>Investments at fair value through Other Comprehensive Income</b>			
<b>Investment in Equity Shares</b>			
<b>Unquoted:</b>			
Grover Zampa Vineyards Ltd - 2,869,997 shares (As at 31 March 2021 - 1,451,177 shares) of Rs. 10 each fully paid		970.04	787.79
Mohan Meakin Ltd - 2,000 shares (As at 31 March 2021 - 2,000 shares) of Rs. 10 each fully paid		15.00	15.00
L.J.International Limited - 64 shares (As at 31 March 2021 - 64 shares) of Rs. 10 each fully paid		0.21	0.21
The Nelliampathy Tea & Produce Company Limited - 155 shares (As at 31 March 2021 - 155 shares) of Rs. 10 each fully paid		0.62	0.62
Verna Global Holding Limited - 8543 shares (As at 31 March 2021 - 8,543 shares) of GBP 0.1 each fully paid		122.71	138.99
Varna Design Private Limited - 70 shares (As at 31 March 2021 - 70 shares) of Rs. 10 each fully paid		1.06	1.06
<b>Sub Total</b>		<u>1,109.64</u>	<u>943.67</u>
<b>Grand Total Investments</b>		<u>18,459.40</u>	<u>15,599.53</u>

\* The management considers that the carrying amount of these investments is approximate to their fair value.

Aggregate book value of quoted investments	14,093.45	11,754.54
Aggregate market value of quoted investments	79,461.79	27,411.12
Aggregate value of unquoted investments	4,365.95	3,844.99
Aggregate amount of impairment in the value of investments	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>NOTE 7</b>		
<b>LOANS</b>		
<b>Loans</b>		
<b>(Unsecured, considered good)</b>		
<b>Non Current at amortized cost</b>		
Loans to employees	0.85	3.48
<b>Total</b>	<b>0.85</b>	<b>3.48</b>
<b>Current at amortized cost</b>		
Loans to employees	0.68	1.36
<b>Total</b>	<b>0.68</b>	<b>1.36</b>
<b>NOTE 8</b>		
<b>OTHER FINANCIAL ASSETS</b>		
<b>(Unsecured, considered good)</b>		
<b>A) Non Current</b>		
Deposits with Public Bodies	13.45	15.45
Deposits with Others	0.10	0.75
Term deposit with bank maturing after 12 months from the Balance Sheet date (Refer Note 15)	0.96	1.36
<b>Total</b>	<b>14.51</b>	<b>17.56</b>
<b>B) Current</b>		
Rent deposits	20.50	20.50
<b>Total</b>	<b>20.50</b>	<b>20.50</b>
<b>NOTE 9</b>		
<b>DEFERRED TAX LIABILITY / ASSETS (NET)</b>		
<b>Components of Deferred tax</b>		
<b>Deferred Tax Asset / (Liability)</b>		
On account of depreciation	24.28	35.60
On account of Fair valuation of current investments	(85.89)	(87.95)
On account of Fair valuation of non current investments	20.26	10.52
On account of liabilities / provisions that are deducted for tax purposes when paid	1.63	1.34
<b>Sub Total</b>	<b>(39.72)</b>	<b>(40.49)</b>
<b>MAT Credit Entitlement</b>		
Opening balance	72.79	49.12
Add: Availed during the year	22.32	23.67
Less: Utilization during the year	-	-
Less: Adjustment in respect of prior years	-	-
<b>Net MAT Credit Entitlement</b>	<b>95.11</b>	<b>72.79</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>55.39</b>	<b>32.30</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022                      31 March 2021

### NOTE 10

#### OTHER NON CURRENT ASSETS

(Unsecured, considered good unless stated otherwise)

Advance to suppliers	52.95	22.41
GST Input Receivable	55.76	44.12
Income tax paid under protest / Refund due	7.00	7.00
<b>Total</b>	<b>115.71</b>	<b>73.53</b>

### NOTE 11

#### INVENTORIES

Raw materials	7.55	10.84
Finished goods	379.79	285.65
Stores, Spares and Packing Materials	76.87	86.10
Less: Provision for Slow Moving/Non Moving Inventories	(1.11)	(1.11)
<b>Total inventories at the lower of cost or net realisable value</b>	<b>463.10</b>	<b>381.48</b>

#### Inventory write down

Write down/(back) to inventory recognised in cost during the year	25.48	6.59
---	-------	------

#### i) Provision for Slow Moving/Non Moving Inventories

Opening Balance	1.11	1.11
Add: Provision during the year	-	-
Less: Reversal of provision no longer required	-	-
<b>Closing Balance</b>	<b>1.11</b>	<b>1.11</b>

### NOTE 12

#### BIOLOGICAL ASSETS

	<b>Tea Leaves</b>
Balance as at 1 April 2020	9.34
Change in fair value due to biological transformation	31.05
<b>Balance as at 31 March 2021</b>	<b>40.39</b>
Change in fair value due to biological transformation	(20.41)
<b>Balance as at 31 March 2022</b>	<b>19.98</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTE 13 INVESTMENTS

	No. of scrips / Units held		All amounts are in INR Lakhs, unless otherwise stated	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Current Investments</b>				
<b>Investments at fair value through Profit &amp; Loss</b>				
<b>Quoted Equity Shares (Valued at market rate per share)</b>				
Tata consultancy Services Ltd of Rs. 1 each fully paid	4,864	4,864	181.86	154.57
Infosys Ltd Rs. 5 each fully paid	460	460	8.77	6.29
Bombay Stock Exchange Ltd of Rs. 2 each fully paid	-	7,442	-	42.50
Lakshmi Machines Ltd of Rs. 10 each fully paid	26	26	2.50	1.77
IDFC Ltd of Rs. 10 each fully paid	17,840	17,840	11.02	8.45
IDFC First Bank Ltd (Earlier IDFC Bank Ltd) of Rs. 10 each fully paid	8,120	8,120	3.22	4.52
Shriram Transport Finance Ltd of Rs. 10 each fully paid	670	670	7.60	9.53
Shriram City Union Finance Ltd of Rs. 10 each fully paid	83	83	1.35	1.13
CSB bank Ltd of Rs. 10 each fully paid	-	8,065	-	18.78
<b>Unquoted equity shares</b>				
Tamil Nadu Mercantile Bank Ltd of Rs. 10 each fully paid*	8,000	8,000	20.40	20.40
<b>Unquoted Mutual funds</b>				
ICICI Pru Short term Growth	17,13,629	20,90,633	818.90	958.84
ICICI Prudential Savings Growth	71,575	71,575	310.18	297.75
ICICI Prudential Liquid Growth	39,546	1,27,889	123.84	387.56
ICICI Pru. Fund - Growth	1,86,483	2,73,904	567.35	802.73
ICICI Pru. NIFTY 50 Index - Growth	65,449	-	23.69	-
Nippon India Liquid Growth	194	-	10.04	-
Nippon India NIFTY Midcap 150 Index Fund Reg-Growth	1,66,430	-	21.08	-
SBI liquid Growth	318	-	10.54	-
SBI NIFTY Indiex Growth	16,107	-	24.26	-
Reliance Mutual funds	14,730	4,998	147.27	49.98
<b>Quoted Zero coupon debenture</b>				
HDB Financial Services Ltd of Rs. 1,000,000. each per unit	50	-	526.66	-
			<b>2,820.53</b>	<b>2,764.80</b>
Aggregate book value of quoted investments			742.98	247.54
Aggregate market value of quoted investments			742.98	247.54
Aggregate value of unquoted investments			2,077.55	2,517.26
Aggregate amount of impairment in the value of investments			-	-

\* The management considers that the carrying amount of these investments is approximate to their fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

31 March 2021

### NOTE 14 TRADE RECEIVABLES

#### Current

#### (Unsecured)

Considered good*	182.41	98.89
Considered doubtful	-	-
	<b>182.41</b>	<b>98.89</b>
Less : Provision for doubtful debts	-	-
<b>Total</b>	<b>182.41</b>	<b>98.89</b>

\* Includes dues from companies where directors are interested 11.80 25.05

\* Includes dues from an associate 0.01 7.55

#### Trade Receivables ageing schedule

Particulars	As at	Outstanding for following periods from date of transaction					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	31st March 22	182.41	-	-	-	-	182.41
	31st March 21	98.89	-	-	-	-	98.89
(ii) Disputed Trade Receivables considered good	31st March 22	-	-	-	-	-	-
	31st March 21	-	-	-	-	-	-
<b>Total</b>	31st March 22	<b>182.41</b>	-	-	-	-	<b>182.41</b>
	31st March 21	<b>98.89</b>	-	-	-	-	<b>98.89</b>
Less : Allowance for Trade Receivable	31st March 22	-	-	-	-	-	-
	31st March 21	-	-	-	-	-	-
<b>Net Trade Receivable</b>	31st March 22	<b>182.41</b>	-	-	-	-	<b>182.41</b>
	31st March 21	<b>98.89</b>	-	-	-	-	<b>98.89</b>

Note - Ageing presented based on transaction date

### NOTE 15

#### CASH AND CASH EQUIVALENTS

Cash on hand	0.24	0.46
Balances with bank in current account	17.93	30.51
In deposit account with original maturity less than three months	0.40	-
<b>Cash and cash equivalents as per balance sheet</b>	<b>18.57</b>	<b>30.97</b>
<b>Bank balances other than cash and cash equivalents:</b>		
Balances with banks:		
In deposit account with original maturity more than twelve months from balance sheet date	0.96	1.36
Earmarked Balances (unclaimed/unpaid dividend deposit accounts)	88.44	96.75
<b>Bank balance</b>	<b>89.40</b>	<b>98.11</b>
Less : Term deposit / Margin money with bank maturing after 12 months from the Balance Sheet date (Refer Note 8)	(0.96)	(1.36)
<b>Net Bank balances other than cash and cash equivalents</b>	<b>88.44</b>	<b>96.75</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

31 March 2021

### NOTE 16

#### ASSET CLASSIFIED AS HELD FOR SALE

Land	214.17	-
Building	37.22	-
	<u>251.39</u>	<u>-</u>

The Company has decided to sell one of its properties for which agreement for sale has been entered into with counterparty by the Company and accordingly classified as assets held for sale as on reporting date. The property, plant and equipment are carried at book value in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations' being lower than the fair value less cost to sell.

### NOTE 17

#### SHARE CAPITAL

##### A. Authorised Share Capital

Number of Ordinary (Equity) Shares	9,00,000	9,00,000
Face Value per Ordinary (Equity) share	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	<u>90.00</u>	<u>90.00</u>
Number of 5% Preference Shares	3,50,000	3,50,000
Face Value per 5% Preference share	10.00	10.00
5% Preference Share Capital in Rs. lakhs	<u>35.00</u>	<u>35.00</u>

##### B. Issued, Subscribed & Paid Up Share Capital

Number of Ordinary (Equity) Shares	6,22,062	6,22,062
Face Value per Ordinary (Equity) share	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	<u>62.21</u>	<u>62.21</u>

##### C. Terms/ rights attached to equity shares

The company has one class of equity shares issued having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the shareholding.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

31 March 2021

## NOTE 17

### SHARE CAPITAL (*contd*)

#### D. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	Number of shares held	Amount
Balance as at 1 April 2020	6,27,350	62.74
Movement during the year	(5,288)	(0.53)
<b>Balance as at 31 March 2021</b>	<b>6,22,062</b>	<b>62.21</b>
Movement during the year	-	-
<b>Balance as at 31 March 2022</b>	<b>6,22,062</b>	<b>62.21</b>

#### E. Details of shareholders holding more than 5% shares in the company

Promoter Name	As at 31.03.2022			As at 31.03.2021		
	Number of shares held	% holding	% Change During the year	Number of shares held	% holding	% Change During the year
Mr. Ajit Thomas & Mrs. Shanthi Thomas	4,14,618	66.65%	0.00%	4,14,618	66.65%	0.58%
The Midland Rubber and Produce Co. Ltd.	28,545	4.59%	3.22%	8,526	1.37%	0.03%
<b>Total</b>	<b>4,43,163</b>	<b>71.24%</b>	<b>3.22%</b>	<b>4,23,144</b>	<b>68.02%</b>	<b>0.61%</b>

Name of the Share holder	As at 31.03.2022		As at 31.03.2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Mr. Ajit Thomas & Mrs. Shanthi Thomas	4,14,618	66.65%	4,14,618	66.65%
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	39,276	6.31%	38,670	6.22%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

#### E. Equity shares movement during the 5 years preceding March 31, 2022

##### Equity shares extinguished on buy-back

The Company bought back 5,288 equity shares for an aggregate amount of Rs. 84.61 lakhs being 0.84% of the total paid up equity share capital at Rs. 1,600 per equity share. The equity shares bought back were extinguished on March 19, 2021 (refer to Note no. 46).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*of the Year ended 31st March 2022*

## NOTE: 18 OTHER EQUITY

	Reserves & Surplus				Items of Other Comprehensive Income			
	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	FVOCI - equity investments	Cash flow Hedging Reserve	Foreign Currency Translation Reserve	Total
<b>Balance as at 31st March 2020</b>	27.27	0.14	8,625.24	8,278.92	(54.00)	(170.90)	4.69	16,711.36
Changes in accounting policy or prior period items	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2020	27.27	0.14	8,625.24	8,278.92	(54.00)	(170.90)	4.69	16,711.36
Profit for the year	-	-	-	2,349.72	-	-	-	2,349.72
Share of net profits of associates and joint ventures accounted for using equity method	-	-	-	(7.98)	-	-	-	(7.98)
Other comprehensive income for the year and tax thereon	-	-	-	(8.55)	-	-	-	(8.55)
Share of Other comprehensive income of associates / JV, net of tax	-	-	-	-	-	130.42	(47.48)	82.94
Total comprehensive income for the year	-	-	-	2,333.19	-	130.42	(47.48)	2,416.13
<b>Transactions with owners in their capacity as owners:</b>								
- Amount utilised for buy-back of equity shares (Refer note no. 46)	-	-	-	(84.08)	-	-	-	(84.08)
- Transferred from securities premium to capital redemption reserve on buy-back of equity shares (Refer note no 46)	0.53	-	-	(0.53)	-	-	-	-
- Transaction costs related to buy-back of equity shares (Refer note no. 46)	-	-	-	(50.18)	-	-	-	(50.18)
Transfer to reserves	-	-	500.00	(500.00)	-	-	-	-
Dividend & tax paid on dividend	-	-	-	(62.74)	-	-	-	(62.74)
<b>Balance as at 1st April 2021</b>	27.80	0.14	9,125.24	9,914.58	(54.00)	(40.48)	(42.79)	18,930.49
Changes in accounting policy or prior period items	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2021	27.80	0.14	9,125.24	9,914.58	(54.00)	(40.48)	(42.79)	18,930.49
Profit for the year	-	-	-	3,251.61	-	-	-	3,251.61
Remeasurement of the post-employment benefit obligations and tax thereon	-	-	-	(10.75)	-	-	-	(10.75)
Other comprehensive income for the year and tax thereon	-	-	-	(23.11)	(37.11)	-	-	(60.22)
Share of Other comprehensive income of associates / JV, net of tax	-	-	-	-	-	2.60	(53.39)	(50.79)
<b>Total comprehensive income for the year</b>	-	-	-	3,217.75	(37.11)	2.60	(53.39)	3,129.85
Transfer to General Reserve	-	-	-	-	-	-	-	-
Dividends	-	-	-	(248.82)	-	-	-	(248.82)
<b>As At 31 March 2022</b>	27.80	0.14	9,125.24	12,883.51	(91.11)	(37.88)	(96.18)	21,811.52

### Nature and Purpose of other reserves

- Capital Redemption Reserves** - Capital Redemption Reserve was created for buy - back of shares and can be utilised for issuance of fully paid up bonus shares.
- General Reserve** - General Reserve is created out of profits earned by the company by way of transfer from surplus in the statement of profit and loss. The company can use the reserve for payment of dividend and issue of fully paid-up and not paid up bonus shares
- Retained Earnings:** Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Equity investments through other comprehensive income:** The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in Equity instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are not reclassified to statement of profit and loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022                      31 March 2021

### NOTE 19 PROVISIONS

#### Non Current

Provision for Compensated absences*	5.49	4.53
<b>Total</b>	<b>5.49</b>	<b>4.53</b>

#### Current

Provision for Gratuity (funded)*	422.36	337.06
Provision for Compensated absences*	0.37	0.29
<b>Total</b>	<b>422.73</b>	<b>337.35</b>

\*Refer Note 36 for details

### NOTE 20 TRADE PAYABLES

Due to Micro and Small Enterprises	11.12	13.50
Due to other than Micro and Small Enterprises	116.44	148.53
<b>Total trade payables</b>	<b>127.56</b>	<b>162.03</b>

#### Trade payable ageing schedule

Particulars	As at	Outstanding for following periods from date of transaction					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	31st March 22	6.79	4.33	-	-	-	11.12
	<i>31st March 21</i>	-	<i>13.50</i>	-	-	-	<i>13.50</i>
(ii) Others	31st March 22	26.34	90.10	-	-	-	116.44
	<i>31st March 21</i>	<i>8.90</i>	<i>139.63</i>	-	-	-	<i>148.53</i>
(iii) Disputed dues - MSME	31st March 22	-	-	-	-	-	-
	<i>31st March 21</i>	-	-	-	-	-	-
(iv) Disputed dues - Others	31st March 22	-	-	-	-	-	-
	<i>31st March 21</i>	-	-	-	-	-	-
<b>Total</b>	31st March 22	33.13	94.43	-	-	-	127.56
	<i>31st March 21</i>	<i>8.90</i>	<i>153.13</i>	-	-	-	<i>162.03</i>

### NOTE 21 OTHER FINANCIAL LIABILITIES

#### Particulars

#### Other financial liabilities

Unclaimed dividend	88.44	96.75
Employee related liabilities	138.43	147.31
<b>Total</b>	<b>226.87</b>	<b>244.06</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

**31 March 2022**                      31 March 2021

### NOTE 22

#### OTHER CURRENT LIABILITIES

##### Particulars

##### Current

Advance from customers	5.29	0.11
Advance received for sale of asset (Refer Note. 16)	255.00	-
Statutory liabilities	28.71	42.40
<b>Total</b>	<b><u>289.00</u></b>	<b><u>42.51</u></b>

### NOTE 23

#### REVENUE FROM OPERATIONS

##### Sale of products

Tea	2,749.78	2,827.34
Tea Waste	77.85	85.68
Tea Leaf	-	3.67
<b>Total Sale of Products (A)</b>	<b><u>2,827.63</u></b>	<b><u>2,916.69</u></b>

##### Other Operating Revenue

Tea subsidy	84.03	-
Timber	-	9.57
Export subsidies & other incentives	42.92	10.03
Duty drawback	2.18	2.79
Scrap	-	5.94
<b>Total Other Operating Revenue (B)</b>	<b><u>129.13</u></b>	<b><u>28.33</u></b>
<b>Total revenue from operations</b>	<b><u>2,956.76</u></b>	<b><u>2,945.02</u></b>

##### Disaggregation of sale of products by geography

India	1,132.77	1,202.29
Rest of the world	1,694.86	1,714.40
	<b><u>2,827.63</u></b>	<b><u>2,916.69</u></b>

### NOTE 24

#### OTHER INCOME

##### Dividend Income from Investments:

Non Current measured at fair value through Other Comprehensive Income	0.04	0.02
Current at fair value through Profit and Loss	2.56	3.93
Interest income	0.83	1.34
Gain on fair value of investments measured at fair value through Profit and Loss	109.13	230.34
Profit on sale of investments at fair value through Profit and Loss	52.48	8.71
Profit on Sale of property, plant and equipment (net)	0.54	0.53
Insurance Claim Received	-	0.80
Miscellaneous income	0.65	0.52
<b>Total</b>	<b><u>166.23</u></b>	<b><u>246.19</u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

	31 March 2022	31 March 2021
<b>NOTE 25</b>		
<b>COST OF RAW MATERIAL &amp; COMPONENTS CONSUMED</b>		
Inventories at the beginning of the year	10.84	3.27
Add: Purchases	527.44	493.10
	<b>538.28</b>	<b>496.37</b>
Less: Inventories at the end of the year	7.55	10.84
<b>Total</b>	<b>530.73</b>	<b>485.53</b>
<b>NOTE 26</b>		
<b>PURCHASE OF STOCK - IN - TRADE</b>		
Inventory at the beginning of the year	-	-
Add: Purchases	0.83	0.97
	<b>0.83</b>	<b>0.97</b>
Less: inventory at the end of the year	-	-
<b>Total</b>	<b>0.83</b>	<b>0.97</b>
<b>NOTE 27</b>		
<b>CHANGE IN INVENTORIES OF FINISHED GOODS</b>		
Finished goods inventories at the beginning of the year	285.65	599.01
Less: Finished goods inventories at the end of the year	(379.79)	(285.65)
<b>Total</b>	<b>(94.14)</b>	<b>313.36</b>
<b>NOTE 28</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	1,274.20	1,113.56
Contribution to provident and other funds	191.09	173.31
Staff welfare expenses	32.80	42.55
<b>Total</b>	<b>1,498.09</b>	<b>1,329.42</b>
Refer to Note 36 for details on employee benefit		
<b>The above includes</b>		
- net incremental gratuity provision of	74.17	69.78
- net incremental leave salary provision of	1.05	1.38
<b>NOTE 29</b>		
<b>FINANCE COSTS</b>		
Interest on shortfall of payment of advance tax	1.11	5.85
Interest on debts and borrowings at effective interest rate on borrowings	1.65	1.26
<b>Total</b>	<b>2.76</b>	<b>7.11</b>
<b>NOTE 30</b>		
<b>DEPRECIATION EXPENSES</b>		
Depreciation on tangible assets	74.55	66.48
<b>Total</b>	<b>74.55</b>	<b>66.48</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

**31 March 2022**                      31 March 2021

### NOTE 31

#### OTHER EXPENSES

##### Other Manufacturing Expenses

Consumption of stores and spares	122.94	131.10
Power and fuel	230.53	189.81
Repairs and maintenance	17.03	25.26
Rent and amenities	28.62	25.92
Repairs and maintenance		
Buildings	203.92	53.26
Vehicles	63.87	43.44
Others	7.89	11.94
Insurance	11.06	8.86
Rates and taxes	7.36	8.73
Payment to statutory auditors (Refer Note 32)	7.18	7.50
Transport and warehousing	187.47	112.35
Brokerage and commission	60.60	69.53
Travelling expenses	47.94	17.31
Legal and professional expenses	47.46	18.87
Postage and telephones	5.03	4.94
Printing and stationery	4.15	6.77
Bank charges	7.26	9.70
Directors' sitting fees	4.09	4.13
Advertisement and sales promotion	2.50	1.97
Exchange fluctuation loss (net)	0.44	6.67
Miscellaneous expenses	34.02	24.57
<b>Total</b>	<b>1,101.36</b>	<b>782.63</b>

#### Note:

##### Amount capitalized during the current year:

Salaries, wages and bonus	1.93	7.09
Stores and components consumed	0.09	1.81

### NOTE 32

#### PAYMENT TO STATUTORY AUDITORS

For audit	7.00	7.00
For Other services (certification fees)	-	0.50
For travelling and other expenses	0.18	-
	<b>7.18</b>	<b>7.50</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

**31 March 2022**                      31 March 2021

### NOTE 33

#### INCOME TAX

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

#### Statement of profit and loss:

Income Tax	127.10	158.07
Deferred Tax	(9.20)	20.92
<b>Income tax expense reported in the statement of profit or loss</b>	<b>117.90</b>	<b>178.99</b>

#### Other Comprehensive Income

Deferred tax related to items recognised in OCI during the year		
Net (gain)/loss on revaluation of non-current investments	(46.85)	-
Net (gain)/loss on remeasurements of defined benefit plans	(14.90)	(11.05)
<b>Income tax charged to OCI</b>	<b>(61.75)</b>	<b>(11.05)</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2022 and 31 March 2021:

Accounting profit before tax (a)	3,369.51	2,528.71
Income Tax Rate (b)	27.82%	27.82%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	937.40	703.49

#### Adjustments

On account of dividend income from current investment		-
On account of dividend income from associates and joint venture	170.62	153.97
On account of dividend paid available for deduction under income tax	(69.22)	(17.46)
On account of long term gain set off against carry forward long term loss on which no deferred tax was created conservatively	(21.68)	(14.46)
On account of non-taxable agricultural operations	22.04	(8.30)
On account of long term tax rate applied to current investment gain	-	(29.68)
On account of share of profit accounted under equity method	(940.62)	(623.17)
On account of other items	19.36	14.60
<b>Income tax expense reported in the statement of profit and loss</b>	<b>117.90</b>	<b>178.99</b>

#### Reconciliation of deferred tax assets/(liabilities) (net):

Opening balance as of 1 April	32.30	53.22
Tax income/(expense) during the year recognised in profit or loss	(13.11)	(44.59)
Tax income/(expense) during the year recognised in OCI	13.89	-
MAT availed/(utilised) during the year	22.31	23.67
<b>Closing balance as at 31 March</b>	<b>55.39</b>	<b>32.30</b>

Given that the Company does not have any intention to dispose investments in associates and joint venture in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022                      31 March 2021

### NOTE 34

#### EARNINGS PER SHARE

Profit after Taxation in INR lakhs	3,251.61	2,349.72
Weighted average number of Equity Shares	6,22,062	6,27,176
Earnings per share (Basic and Diluted) in Rs.	522.71	374.65

\* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

### NOTE 35

#### SEGMENT REPORTING

The Company operates only in one Business segment namely Cultivation, Manufacturing and Marketing of Tea. Accordingly this is the only business segment to be reported.

#### Additional Information:

#### Segment Revenue

#### Revenue by Geographical Segment

India	1,132.77	1,202.29
Rest of the World	1,694.86	1,714.40
<b>Total Revenue from Sale of Products</b>	<b>2,827.63</b>	<b>2,916.69</b>

#### Trade Receivables

India	39.87	54.04
Rest of the World	142.54	44.85
<b>Total Receivables</b>	<b>182.41</b>	<b>98.89</b>

#### Note:

Only trade receivables are outside India, all other assets and liabilities are in India. Accordingly, revenue and trade receivables are only disclosed



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

31 March 2021

### NOTE 36

#### EMPLOYEE BENEFITS

- (a) The Company has recognised the following expenses as defined contribution plan under the head “Company’s Contribution to Provident Fund and Other Funds” (net of recoveries) :

Provident fund	110.55	98.10
Superannuation	1.19	2.15

- (b) The Company operates post retirement defined benefit plans as follows :-

#### Gratuity Scheme:

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

#### Defined Benefit Plans (Gratuity)– As per Actuarial Valuation on March 31, 2022:-

- (i) Amount to be recognized in Balance Sheet and movement in net liability

Present Value of Funded Obligations	789.83	725.18
Fair Value of Plan Assets	367.47	388.12
<b>Net (asset) / Liability - Current</b>	<b>422.36</b>	<b>337.06</b>

- (ii) Expenses recognized in the Statement of Profit & Loss

Current Service Cost	52.99	51.10
Interest on Net Defined Benefit Liability	21.18	17.54
<b>Total</b>	<b>74.17</b>	<b>68.64</b>

- (iii) Amount recorded in Other Comprehensive Income

Actuarial (gain)/loss on Plan Obligations	17.97	12.51
Return on plan assets excluding net interest	(3.07)	(1.46)
<b>Total</b>	<b>14.90</b>	<b>11.05</b>

- (iv) Reconciliation of Net Liability/ Asset

Opening Net Benefit Liability	258.76	258.76
Expense charged to profit and loss	74.17	68.64
Amount recognized outside profit and loss (in OCI)	14.90	11.05
Employer Contribution	(3.77)	(1.39)
<b>Closing Net Defined Benefit Liability/ (Asset) - Current</b>	<b>344.06</b>	<b>337.06</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

31 March 2021

### NOTE 36

#### EMPLOYEE BENEFITS *(contd)*

(v) **Reconciliation of Defined Benefit Obligation**

Opening Defined Benefit Obligation	725.18	668.00
Interest Cost	44.23	43.72
Current Service Cost	52.99	51.10
Benefits paid	(50.54)	(50.15)
Actuarial Losses / (Gain) on obligation	17.97	12.51
Closing Defined Benefit Obligation	789.83	725.18

(vi) **Reconciliation of Fair Value of Plan Assets**

Opening Fair Value of Plan Assets	388.12	409.24
Return on plan assets	3.07	1.46
Contributions made	3.77	1.39
Benefits Paid	(50.54)	(50.15)
Interest Income	23.05	26.18
Closing Fair Value of Plan Assets	367.47	388.12

(vii) **Description of Plan Assets**

Funds managed by Insurer	100%	100%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022                      31 March 2021

### NOTE 36

#### EMPLOYEE BENEFITS *(contd)*

##### (viii) Actuarial Assumptions

Discount rate (p.a.)	6.85%	6.32%
Salary Escalation Rate (p.a.)	5.00%	5.00%
Attrition Rate (p.a.)	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

The discount rates are based on the benchmark yields available on government bonds at the valuation date with terms matching that of the liabilities and salary increases rates take into account inflation, Seniority, Promotion and other relevant factors

31-Mar-22                      31-Mar-21

##### (ix) Expected Benefit Payments in Following Years (mid - year cash flows)

Year 1	155.08	134.23
Year 2	85.44	65.69
Year 3	89.31	70.70
Year 4	65.54	74.83
Year 5	80.77	61.23
Next 5 Years	324.53	291.42

Average Duration of Defined Benefit Obligations is 5.83 years  
(31 March 2021: 6.23 years)

The next year estimated liability is Rs. 55.82 Lakhs  
(31 March 2021: Rs. 52.99 Lakhs)

##### (x) Effect of Change in Key Assumptions

Year Ended 31st March 2022

###### Particulars

###### Discount Rate

Impact of increase in 100 bps on DBO	(40.31)	(40.17)
Impact of decrease in 100 bps on DBO	45.37	45.52

###### Salary Escalation Rate

Impact of increase in 100 bps on DBO	44.36	44.32
Impact of decrease in 100 bps on DBO	(40.08)	(39.80)

##### (xi) Asset liability comparisons

Year	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18
PVO at the end of the period	789.83	725.18	668.00	613.48	653.39
Plan assets	367.47	388.12	409.24	463.64	473.11
Surplus/ (deficit)	(422.36)	(337.06)	(258.76)	(149.84)	(180.28)
Experience adjustment on plan assets	3.07	1.46	(3.14)	0.53	3.27

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

31 March 2022

31 March 2021

## NOTE 36

### EMPLOYEE BENEFITS *(contd)*

c) Other Long Term Employee Benefits

(i) **Compensated absences:**

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

**Other Long Term Employee Benefits (Leave encashment)– As per Actuarial Valuation on March 31, 2022:-**

(i) **Amount to be recognized in Balance Sheet and movement in net liability**

Present Value of Funded Obligations	5.86	4.82
Fair Value of Plan Assets	-	-
Net (asset) / Liability	<b>5.86</b>	<b>4.82</b>

(ii) **Actuarial Assumptions**

Discount rate (p.a.)	6.85%	6.32%
Salary Escalation Rate (p.a.)	5.00%	5.00%
Attrition Rate (p.a.)	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

(iii) **Effect of Change in Key Assumptions  
Year Ended 31st March 2022**

**Particulars**

**Discount Rate**

Impact of increase in 100 bps on DBO	(0.41)	(0.36)
Impact of decrease in 100 bps on DBO	0.45	0.40

**Salary Escalation Rate**

Impact of increase in 100 bps on DBO	0.44	0.39
Impact of decrease in 100 bps on DBO	(0.40)	(0.35)

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

**Exposure to Risks:**

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

**Interest risk:** A decrease in the Government Securities (G-Sec Bonds) interest rate will increase the plan liability.

**Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTE 37

### RELATED PARTY TRANSACTIONS

#### A Details of related parties:

##### Directors who held the office during the year:

Mr. Ajit Thomas , Chairman.  
Mrs. Shanthi Thomas , Executive Director.  
Mr. A. D. Bopana  
Mr. F. S. Mohan Eddy  
Ms. Kavitha Vijay  
Mr. Swaminathan Ganesan

##### Key Management Personnel (KMP)

Mr. Deepak G. Prabhu, CFO  
Mr. S. Lakshmi Narasimhan, Company Secretary

##### Associates & Joint Venture of the company :

AVT Natural Products Limited  
AVT McCormick Ingredients Private Limited  
Midland Corporate Advisory Services Pvt. Ltd.

##### Entities in which Directors are interested with whom transactions were carried out during the year:

A V Thomas & Co. Ltd.  
The Nelliampathy Tea & Produce Co. Ltd.  
The Midland Rubber & Produce Co. Ltd.  
Midland Charitable Trust

#### B. Details of related party transactions during the year and balances outstanding at the end of the year:

All amounts are in INR Lakhs, unless otherwise stated

Sl. No.	Particulars	Directors		Key Management Personnel (KMP)		Associate & Joint Venture of the Company		Entities in which Directors are Interested	
		31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	<b>Transactions during the year:</b>								
1	Sitting Fees to Chairman	0.88	0.96	-	-	-	-	-	-
2	Sitting Fees to Other Directors	3.21	3.17	-	-	-	-	-	-
3	Professional fees	-	-	-	-	6.00	-	-	-
4	Dividend Received	-	-	-	-	613.31	553.44	0.04	0.02
5	Sale of Goods / Consumables and Ingredients	-	-	-	-	121.10	85.68	195.27	247.05
6	Sale of Fixed Assets	-	-	-	-	-	-	-	-
7	Warehousing Charges	-	-	-	-	-	-	1.56	2.00
8	Donations (miscellaneous expenses)	-	-	-	-	-	-	10.00	-
9	Dividend Paid	165.85	41.46	-	-	-	-	4.76	0.85
10	Remuneration to Executive Director	41.25	30.28	-	-	-	-	-	-
11	Remuneration to Key Managerial Personnel - short term benefits*	-	-	55.36	45.48	-	-	-	-

\* Long term benefits have not been disclosed since the liability for such benefits have been derived by the actuary for entity as a whole.

#### Outstanding Balance at the year end

Sl. No.	Particulars	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
1	Trade receivables	-	-	-	-	0.01	7.55	11.80	25.05
2	Investments	-	-	-	-	17,349.76	14,655.86	0.62	0.62

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

	Year ended 31 March 2022	Year ended 31 March 2021
--	-----------------------------	-----------------------------

## NOTE 38

### COMMITMENTS AND CONTINGENCIES

1) On account of Income Tax matters in dispute:	4.43	4.43
2) The retrospective effect from 01-04-14 of the operations and implementations of the Payment of Bonus (Amendment) Act, 2015 has been stayed by Hon. High court of Madras. Considering the same, the Company has not provided for the additional liability.		
3) <b>Commitments and Contingencies in respect of associates and joint venture</b>		
Share of contingent liability of associate	139.64	460.58
Share of contingent liability of the JV	151.08	150.49
4) <b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for (incl share of associate) is Rs. 14.66 Lakhs (31 March 2021: Rs. Nil).		

## NOTE 39

### FAIR VALUE MEASUREMENT

#### Financial Instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed.

#### Financial assets and liabilities

All amounts are in INR Lakhs

Particulars	31st March 2022			31st March 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets:</b>						
<b>Non Current</b>						
Investments*	-	1,109.64	-	-	943.67	-
Loans	-	-	0.85	-	-	3.48
Other financial assets	-	-	14.51	-	-	17.56
<b>Current</b>						
Investments	2,820.53	-	-	2,764.80	-	-
Trade Receivables	-	-	182.41	-	-	98.89
Cash and Cash Equivalents	-	-	18.57	-	-	30.97
Bank Balances other than Cash & Cash Equivalents	-	-	88.44	-	-	96.75
Loans	-	-	0.68	-	-	1.36
Other financial assets	-	-	20.50	-	-	20.50
<b>Total</b>	<b>2,820.53</b>	<b>1,109.64</b>	<b>325.96</b>	<b>2,764.80</b>	<b>943.67</b>	<b>269.51</b>
<b>Financial liabilities:</b>						
<b>Current</b>						
Trade Payables	-	-	127.56	-	-	162.03
Other financial liabilities - Current	-	-	226.87	-	-	244.06
<b>Total</b>	<b>-</b>	<b>-</b>	<b>354.43</b>	<b>-</b>	<b>-</b>	<b>406.09</b>

\* Does not include investments in Associates / Joint venture recognised using equity method.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

## NOTE 40

### FAIR VALUE HIERARCHY

#### A.1 Fair value of Financial Instruments measured through FVTPL:

**Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2022:**

	Notes	Level 1	Level 2	Level 3	Total
<b>Financial asset-</b>					
Investments in quoted equity instruments	A.2	216.32	-	-	216.32
Investments in liquid mutual fund units	A.2	2,057.15	-	-	2,057.15
Investments in unquoted shares	A.2	-	-	20.40	20.40
Investments in quoted zero coupon debentures	A.2	526.66	-	-	526.66

**Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2021:**

	Notes	Level 1	Level 2	Level 3	Total
<b>Financial asset -</b>					
Investments in quoted equity instruments	A.2	247.54	-	-	247.54
Investments in liquid mutual fund units	A.2	2,496.86	-	-	2,496.86
Investments in unquoted shares	A.2	-	-	20.40	20.40
Investments in quoted zero coupon debentures	A.2	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

#### A.2 Valuation inputs and relationship to fair value

The fair value of investment in listed shares is determined using the market rate per share at the balance sheet date.

The fair value of investment in mutual funds is determined using the Net Asset Value (NAV) per unit at the balance sheet date.

The fair value of investment in unlisted shares is determined using the quotes available in the informal market close to the balance sheet date / at costs which represents fair value.

#### B.1 Fair value of Financial Instruments measured through FVTOCI:

**Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2022:**

	Notes	Level 1	Level 2	Level 3	Total
Investments in unquoted equity instruments - Non-current	B.2	-	-	1,109.64	1,109.64

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTE 40

#### FAIR VALUE HIERARCHY (contd)

**Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2021:**

	Notes	Level 1	Level 2	Level 3	Total
Investments in unquoted equity instruments - Non-current	B.2	-	154.82	788.85	943.67

During the current year, equity shares of Rs. 154.82 Lakhs (31 March 2021: Nil) were transferred from Level 2 to Level 3 of fair value hierarchy as since these were valued based on valuation carried out by the management.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets does not have a significant impact in its value.

#### B.2 Valuation inputs and relationship to fair value

The fair value is determined based on valuation reports / recent transactions including potential transactions within a reasonable period to the balance sheet date.

#### C. Fair value of Financial Instruments measured at amortised cost :

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables, loans, other financial liabilities and assets the management considers that the carrying amount of assets and liabilities recognised at amortised cost in financial statements is approximate to their fair value.

The fair value of financial instruments as referred to in note (A) and (B) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

All amounts are in INR Lakhs, unless otherwise stated

## NOTE 41

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed by the senior management in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by professionals who have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

#### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2022. The sensitivity analysis for equity price risk has been prepared on the basis of the fair value of the equity investments carried as FVTPL (under current investments) and basis change in equity price.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with fixed & floating interest rates.

#### Sensitivity Analysis of the Interest Rate

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

	Effect on profit before tax in INR lakhs	
	31st March 2022	31st March 2021
100bp increase	-	-
100bp decrease	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2022

All amounts are in INR Lakhs, unless otherwise stated

## NOTE 41

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd....)

#### (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue is denominated in a foreign currency).

#### (1) Foreign Currency Risk Exposure

The company exposure to foreign currency risk at the end of the year expressed in Rs. as follows:

Financial Assets	31st March 2022 (Rs. in Lakhs)	31st March 2021 (Rs. in Lakhs)
Trade Receivables - USD	142.54	44.85
Forward Cover Contracts - USD	-	-
Net unhedged Exposure - USD	142.54	44.85

#### (2) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

#### Sensitivity Analysis

		Effect on profit before tax in INR lakhs	
		31st March 2022	31st March 2021
USD Exposure in INR	1% -Strengthening	1.43	0.45
USD Exposure in INR	1% -Weakening	(1.43)	(0.45)

#### (c) Equity price risk

The company carries a significant amount of investments held as FVTPL (under current investments) which are affected by swings in the equity price and yield in bonds in the market. The risk of equity price changes are managed by the company by closely monitoring the market position and accordingly determining the entry and exit into the markets from time to time and also by having a diversified portfolio of investments.

#### Sensitivity Analysis

		Effect on profit before tax in INR lakhs	
		31st March 2022	31st March 2021
Equity, debenture and mutual funds price exposure for current investments	1% -Strengthening	28.21	27.65
Equity, debenture and mutual funds price exposure for current investments	1% -Weakening	(28.21)	(27.65)

#### (d) Commodity price risk

The prices of agricultural commodities are subject to fluctuations due to various factors. In the ordinary course of business, the company is exposed to commodity price risk to the extent its open sales are not balanced by inventory. The company has in place a risk management policy to manage such risk by having conscious limits on the sales committed for future periods for which production is yet to be completed and inventory is in place.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> March 2022

All amounts are in INR Lakhs, unless otherwise stated

## NOTE 41

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd....)

#### (B) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

##### (a) Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are set with approvals on the basis of the defined policies. Outstanding customer receivables are regularly monitored and exposures are kept within the credit limits fixed for each customer.

##### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Particulars	31 March 2022	31 March 2021
No of Customers to whom Sales made is more than 10% of the Turnover	2	2
Contribution of Customers in Sales more than 10% of Turnover	59.68%	61.05%

Particulars	31 March 2022	31 March 2021
No of Customers who owed more than 10% of the Total receivables	2	3
Contribution of Customers in owing more than 10% of Total receivables	89.08%	84.55%

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

##### (b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 and 31 March 2021 is the carrying amounts as mentioned in Notes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTE 41

#### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd....)

##### (C) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to current investments which are highly liquid to meet any liquidity needs and also has adequate undrawn credit facility from its bankers.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended 31st March 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Other financial liabilities	88.44	146.34	-	-	-	234.78
Trade and other payables	-	119.66	-	-	-	119.66
	<b>88.44</b>	<b>266.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354.44</b>
<b>Year ended 31 March 2021</b>						
Other financial liabilities	96.75	147.31	-	-	-	244.06
Trade and other payables	-	162.03	-	-	-	162.03
	<b>96.75</b>	<b>309.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406.09</b>

### NOTE 42

#### CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by fund attributable to Equity Shares Holders. The company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits, excluding discontinued operations.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

The company's borrowing facilities comprising cash credit facility of Rs.275 Lakhs - Cash credit & Agricultural cash credit which is secured by hypothecation of stock-in-trade, standing crops, book debts, vehicles and also equitable mortgage of Katary Estate with Buildings thereon.

**The company had access to the following undrawn borrowing facilities at the end of the reporting period.**

	31st March 2022 (in Lakhs)	31st March 2021 (in Lakhs)
Fund Based facilities	275.00	275.00

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*of the Year ended 31st March 2022*

**NOTE : 43**  
**INTEREST IN ASSOCIATES & JOINT VENTURES**

All amounts are in INR Lakhs, unless otherwise stated

Name of the entity	Place of Business	% of Ownership Interest	Relationship	Accounting Method	Quoted Fair Value		Carrying Amount	
					As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
AVT Natural Products Limited	India	40.00%	Associate	Equity Method	79,461.79	27,411.12	14,093.45	11,754.54
Midland Corporate Advisory Services Private Limited*	India	32.89%	Associate	Equity Method	-	-	17.68	7.72
AVT McCormick Ingredients Private Limited*	India	14.58%	Joint Venture	Equity Method	-	-	3,238.63	2,893.60

\*Unlisted entity - no quoted price available

**NOTE : 44**  
**SUMMARISED FINANCIAL INFORMATION OF ASSOCIATES / JOINT VENTURES**

All amounts are in INR Lakhs, unless otherwise stated

	AVT Natural Products Limited		Midland Corporate Advisory Services Pvt. Ltd.		AVT McCormick Ingredients Pvt. Ltd.	
	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021	As at 31st March 2022	As at 31st March 2021
<b>Current assets</b>						
Cash and cash equivalents	1,429.06	1,379.44	52.39	19.76	1,176.30	542.20
Other assets	34,674.55	31,881.83	1.70	4.02	43,752.40	34,758.10
<b>Total Current Assets</b>	<b>36,103.61</b>	<b>33,261.27</b>	<b>54.09</b>	<b>23.78</b>	<b>44,928.70</b>	<b>35,300.30</b>
<b>Total Non-Current Assets</b>	<b>8,772.94</b>	<b>9,300.69</b>	-	-	<b>2,949.60</b>	<b>2,918.40</b>
<b>Current liabilities</b>						
Financial Liabilities(excluding trade payables)	2,261.66	4,699.80	-	-	9,152.80	9,700.20
Other Liabilities	4,460.60	5,086.40	0.38	0.36	15,889.50	7,734.50
<b>Total current liabilities</b>	<b>6,722.26</b>	<b>9,786.20</b>	<b>0.38</b>	<b>0.36</b>	<b>25,042.30</b>	<b>17,434.70</b>
<b>Non-current liabilities</b>						
Financial Liabilities(excluding trade payables)	730.93	1,071.01	-	-	-	-
Other Liabilities	548.44	677.12	-	-	238.10	552.00
<b>Total Non-current liabilities</b>	<b>1,279.37</b>	<b>1,748.13</b>	-	-	<b>238.10</b>	<b>552.00</b>
<b>Net Assets</b>	<b>36,874.92</b>	<b>31,027.63</b>	<b>53.71</b>	<b>23.42</b>	<b>22,597.90</b>	<b>20,232.00</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
*of the Year ended 31st March 2022*

**NOTE : 44.1**  
**RECONCILIATION TO CARRYING AMOUNTS**

All amounts are in INR Lakhs, unless otherwise stated

Particulars	AVT Natural Products Limited		Midland Corporate Advisory Services Pvt. Ltd.		AVT McCormick Ingredients Pvt. Ltd.	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Opening Net Assets	31,027.63	27,485.16	23.43	21.07	20,232.00	17,878.80
Profit for the year	7,285.03	4,529.10	30.28	2.36	3,134.70	2,931.90
Other Comprehensive Income	(219.47)	3.22	-	-	95.20	501.30
Dividends paid including dividend distribution tax	(1,218.27)	(989.85)	-	-	(864.00)	(1,080.00)
Closing Net Assets	36,874.92	31,027.63	53.71	23.43	22,597.90	20,232.00
Group's Share in %	40.00%	40.00%	32.89%	32.89%	14.58%	14.58%
Group's Share in INR	14,749.97	12,411.05	17.67	7.72	3,295.53	2,950.50
Carrying amount	14,093.45	11,754.54	17.67	7.72	3,238.63	2,893.60

**NOTE : 44.2**  
**SUMMARISED STATEMENT OF PROFIT AND LOSS**

All amounts are in INR Lakhs, unless otherwise stated

Particulars	AVT Natural Products Limited		Midland Corporate Advisory Services Pvt. Ltd.		AVT McCormick Ingredients Pvt. Ltd.	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Revenue From Operations / Income from services	55,938.93	48,512.79	30.00	-	59,374.20	50,227.00
Interest Income	20.94	54.92	0.98	4.66	3.10	8.10
Depreciation and amortization expense	1,435.76	1,517.28	-	0.92	303.30	319.20
Interest Expenses	461.52	400.75	-	-	401.90	316.70
Income Tax Expense	2,379.35	1,525.73	-	-	1,060.30	1,054.10
Profit (Loss) for the year	7,285.03	4,529.10	30.28	2.36	3,134.70	2,931.90
Other comprehensive Income for the year, net of tax	(219.47)	3.22	-	-	95.20	501.30
Total Comprehensive Income for the year	7,065.56	4,532.32	30.28	2.36	3,229.90	3,433.20
Dividends received	487.31	395.94	-	-	126.00	157.50

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*of the Year ended 31st March 2022*

NOTE : 45

### ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

All amounts are in INR Lakhs, unless otherwise stated

Name of the entity in the group	Net Assets		Share in Profit or Loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	i.e. Total Assets - Total liabilities	As % of consolidated net	Amount (in lakhs)	As % of consolidated Profit or Loss	Amount (in lakhs)	As % of consolidated other Comprehensive Income	Amount (in lakhs)	As % of total Comprehensive Income
<b>Parent</b>								
Neelamalai Agro Industries Limited								
31-Mar-22	20.68%	4,523.97	(3.98%)	(129.50)	(47.86)	39.31%	(177.36)	(5.67%)
31-Mar-21	22.99%	4,336.84	4.99%	109.73	(7.98)	(12.00%)	101.75	3.99%
<b>Associates(Investments as per Equity Method)</b>								
AVT Natural Products Limited								
31-Mar-22	64.43%	14,093.45	89.62%	2,914.01	(87.79)	72.10%	2,826.22	90.30%
31-Mar-21	62.00%	11,754.54	77.00%	1,811.64	1.29	2.00%	1,812.93	75.00%
Midland Corporate Advisory Services Private Limited								
31-Mar-22	0.08%	17.68	0.31%	9.96	-	0.00%	9.96	0.32%
31-Mar-21	0.01%	7.72	0.01%	0.78	-	-	0.78	0.01%
<b>Joint Venture(Investments as per Equity Method)</b>								
AVT McCormick Ingredients Private Limited								
31-Mar-22	14.81%	3,238.63	14.06%	457.14	13.88	(11.40%)	471.03	15.05%
31-Mar-21	15.00%	2,893.60	18.00%	427.57	73.11	110.00%	500.68	21.00%
<b>Total</b>								
31-Mar-22	100.00%	21,873.73	100.00%	3,251.62	(121.76)	100.00%	3,129.85	100.00%
31-Mar-21	100.00%	18,992.70	100.00%	2,349.72	66.41	100.00%	2,416.13	100.00%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

### NOTE 46

#### BUY BACK OF EQUITY SHARES

During the previous year, the Board of Directors at its meeting held on 21 January 2021, approved a proposal to buy-back upto 25,350 equity shares of the Company for an aggregate cash amount not exceeding Rs. 405.60 Lakhs, being 4.04% of the total paid up equity share capital at Rs. 1,600 per equity share through Tender Offer process, on a proportionate basis. The record date for tendering of shares for buy-back was 5 February 2021.

The Company completed buy-back of 5,288 equity shares of Rs.10 each (representing 0.84% of total pre buy-back paid up equity share capital of the Company) from the shareholders of the Company on a proportionate basis, through the tender offer route under the Securities and Exchange Board of India (Buy-back of Securities), Regulations 2018, at a payout to such shareholders aggregating to Rs.84.61 lakhs. Accordingly, the Company extinguished 5,288 fully paid up equity shares of Rs. 10 each (in dematerialized and physical form) and the fully paid up equity share capital of the Company (post extinguishment) is 622,062 shares of Rs.10 each. The Company has funded the buy-back (including transaction costs and taxes incurred in relation thereto amounting to Rs.50.18 lakhs) from its retained earnings. In accordance with section 69 of the Companies Act, 2013, the Company has transferred an amount of Rs. 0.53 lakhs to capital redemption reserve which is equal to the nominal value of the shares bought back, as an appropriation from retained earnings.

### NOTE 47

#### SOCIAL SECURITY CODE 2020

The implementation of the Code on Social Security, 2020 is getting postponed. The Company will assess the impact thereof and give effect in the Financial Statements when the date of implementation of the codes and the Rules / Schemes thereunder are notified.

### NOTE 48

#### EXCEPTIONAL ITEM

During the previous year, the company has sold the investment property for Rs. 321.77 Lakhs and the gain of Rs. 51.96 Lakhs has been recognised and disclosed as exceptional item.

### NOTE 49

#### OTHER STATUTORY INFORMATION

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### NOTE 50

#### DEPOSITS AND ADVANCES IN THE NATURE OF LOANS TO ASSOCIATES/JV:

Particulars	Nature	31 - Mar - 22		31 - Mar - 21	
		Maximum Amount outstanding during the year	Balance outstanding	Maximum Amount outstanding during the year	Balance outstanding
AVT Natural Products Limited	Associate	-	-	-	-
Midland Corporate Advisory Services Private Limited	Associate	-	-	-	-
AVT McCormick Ingredients Private Limited	Joint Venture	-	-	-	-

\* There were no deposits and advances in the nature of loans made by company to the firms/companies in which directors are interested.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31<sup>st</sup> March 2022*

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### NOTE 51 DIVIDENDS

Dividends paid during the year 2021-22 represent final dividend of 300% declared for the financial year 2020-21 amounting to Rs.186.63 lakhs and interim dividend at the rate of 100% amounting to Rs. 62.21 Lakhs

The dividends declared by the Company are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of the Company. Subsequent to March 31, 2022, the Board of Directors of Company have proposed a final dividend of Rs. 20 per share (200%) in respect of financial year 2021-22. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs124.42 Lakhs.

### NOTE 52

Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period.

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As per our Report of even date attached  
For PKF Sridhar & Santhanam LLP  
Chartered Accountants  
Firm's Registration No. 003990S/S200018  
**T. V. Balasubramanian**  
Partner  
Place : Chennai  
Date : 30.05.2022

Membership No. 027251  
UDIN: 22027251AJXKTR3773

For and on behalf of the Board of Directors  
**Shanthi Thomas**  
Executive Director  
DIN : 00567935  
**Deepak G. Prabhu**  
Chief Financial Officer

**Ajit Thomas**  
Chairman  
DIN : 00018691  
**S. Lakshmi Narasimhan**  
Company Secretary  
Membership No. A35541

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

*For the last ten years*

Season	Net Profit before taxation Rs. in lakhs	Depreciation Rs. in lakhs	Provision for Taxation Rs. in lakhs	Allocation to Reserve Funds Rs. in lakhs	Dividend on Equity shares.	
					Rs. in lakhs	%
2012/2013	641.06	56.86	30.00 (Net of MAT credit utilisation of Rs. 10.00 lakhs)	300.00	125.47 (Interim Dividend) 125.47 (Final Dividend)	200
2013/2014	525.96	69.24	50.00 (Net of MAT credit utilisation of Rs. 23.00 lakhs)	200.00	250.94	400
2014/2015	613.01	116.14	80.00 (Net of MAT credit utilisation of Rs. 32.00 lakhs)	200.00	125.47 (Interim Dividend) 125.47 (Final Dividend)	200
2015/2016	400.49	107.45	55.00 (Net of MAT credit utilisation of Rs. 21.00 lakhs)	Nil	125.47 (Interim Dividend I) 125.47 (Interim Dividend II)	200
2016/2017	194.47	95.51	10.56 (Net of MAT credit utilisation of Rs. 62.60 lakhs)	Nil	125.47	200
2017/2018 (Ind AS)	360.08	106.65	80.39	Nil	125.47	200
2018/2019 (Ind AS)	551.46	97.60	8.25	Nil	62.73 (Interim Dividend) 125.47 (Final Dividend)	100
2019/2020 (Ind AS)	202.37	100.09	(12.43)	Nil	62.73 (Interim Dividend) 62.73 (Final Dividend)	100
2020/2021 (Ind AS)	842.16	66.48	178.99	500.00	186.62	300
2021/2022 (Ind AS)	601.71	74.55	117.90	Nil	62.21 (Interim Dividend) 124.42 (Final Dividend)	100

\* Recommended

**AREA PARTICULARS**

Area as on 01-04-2022

	KATARY Hectares	SUTTON Hectares	TOTAL Hectares
<b>TEA:</b>			
In bearing	247.07	314.05	561.12
Immature transferred to Mature	8.30	-	8.30
Buildings, Roads, etc.	26.39	39.75	66.14
<b>TOTAL</b>	<b>281.76</b>	<b>353.80</b>	<b>635.56</b>