

**NEELAMALAI AGRO INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

**Mr. Ajit Thomas, *Chairman***

**Mrs. Shanthi Thomas**

**Mr. C.R. Dorai Raj**

**Mr. A.D. Bopana**

**Mr. V. C. Kuruvilla (*upto 01.07.2010*)**

**Mr. H.M.A. Hussain**

**Mr. S. Rajasekar**

**AUDITORS**

**M/s. Suri & Co.**

Chartered Accountants

**BANKERS**

Corporation Bank

**REGISTERED OFFICE**

**Katary Estate**

**Katary Post - 643 213**

**Coonoor, The Nilgiris**

## **NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the SIXTY SEVENTH ANNUAL GENERAL MEETING of the Company will be held at the Registered Office at Katary Estate, Katary Post – 643 213 at 11.30 A.M. on Tuesday, the 14<sup>th</sup> September, 2010 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010 and the Reports of Directors and Auditors.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Ajit Thomas, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. C.R.Dorai Raj, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to fix their remuneration.

By Order of the Board  
For Neelamalai Agro Industries Ltd.

Place : Chennai

**Ajit Thomas**

Date : 30.07.2010

Chairman

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXY FORMS COMPLETE IN ALL RESPECTS, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. FORM OF PROXY IS ENCLOSED.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 8<sup>th</sup> September, 2010 to 14<sup>th</sup> September, 2010 (both days inclusive).
3. The dividend as recommended by the Board, if approved at the meeting, will be payable to those members, whose names appear in the Register of Members as on 14<sup>th</sup> September, 2010.

4. The Company has appointed M/s Cameo Corporate Services Limited, Chennai as its Registrar & Share Transfer Agent and depository interface of the Company with CDSL. Shareholders intending to hold their shares in electronic form may approach their depository participants for dematerialisation of shares. Shareholders may send their shares for effecting transfers/ transmission to M/s Cameo Corporate Services Limited.
5. Dividend on equity shares as recommended by the Board of Directors for the year ending 31<sup>st</sup> March, 2010, when declared at the Annual General Meeting will be paid to members whose name appear :-
  - a) as Beneficial Owners as per list to be furnished by the Depositories in respect of the shares held in demat form and
  - b) as Members on the Register of Members of the Company as on 14<sup>th</sup> September, 2010 in respect of shares held by them in physical form, after giving effect to all valid share transfers in respect of transfer requests in physical form, lodged with the Company, Registrar & Share Transfer Agent on or before the close of business hours on 7<sup>th</sup> September, 2010.
6. Members who are holding shares in physical form are requested to notify immediately any change in their address to the Registered Office of the Company. Members are also requested to furnish their Bank Account details in order to enable the Company to mention the same on the payment instrument, for distribution of dividends to the Investors.
7. Shareholders who have multiple folios in identical names or in joint names in the same order, are requested to intimate to the Company these folios, to enable the Company to consolidate all such shareholdings into one folio.
8. Shareholders of the Company may avail the nomination facility by executing the prescribed nomination form, which can be obtained from the Registered Office of the Company.
9. Company's shares are listed at the Coimbatore Stock Exchange Limited, Stock Exchange Building, 683-686, Trichy Road, Singanallur, Coimbatore - 641 005, The Bombay Stock Exchange Limited, Corporate Relationship Dept., 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001; and Madras Stock Exchange Limited, Exchange Building, Post Box No.183, 11, Second Line Beach, Chennai – 600 001. The Annual listing fee, as prescribed, has been paid to the above Stock Exchanges.

10. The Unpaid Dividend amounting to Rs. 2,43,675/- for the year 2001-2002 had been transferred to the Investor Education & Protection Fund as per Section 205C(2) of the Companies Act, 1956. Dividend declared for the year 2002-2003 remaining unpaid/unclaimed over a period of 7 years have to be transferred to the above fund during the year and no claim shall lie against the Company or the said Fund, once it is transferred. Members are advised to claim the unpaid dividend, if any, immediately.

The shareholders who have not claimed dividend upto the year 1993-94 may claim such dividend from The Registrar of Companies, Coimbatore Stock Exchange Building, 683-686, Trichy Road, Coimbatore – 641 005 against the transferred amount of unpaid dividend up to the year 1993-94 to General Revenue Account of the Central Government.

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

By Order of the Board  
For Neelamalai Agro Industries Ltd.

Place : Chennai  
Date : 30.07.2010

**Ajit Thomas**  
Chairman

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the SIXTY SEVENTH ANNUAL REPORT, with the Audited Accounts for the year ended 31st March, 2010.

### FINANCIAL RESULTS

	Rs.
Income from operations & other Income	20,73,96,625
Profit before Depreciation and Taxation	3,97,98,560
Depreciation	43,82,159
Profit before Taxation	3,54,16,401
Provision for Taxation - Current Tax	46,00,000
Profit after Taxation	3,08,16,401
Surplus carried from previous year	59,84,188
Amount available for appropriation	3,68,00,589
Which your Directors recommend to appropriate :	
Transfer to General Reserve	2,50,00,000
Proposed Dividend on Equity Shares at Rs. 10/- per share	62,73,500
Provision for tax on Dividend	10,41,950
Surplus carried to Balance Sheet	44,85,139
	<u>3,68,00,589</u>

### DIVIDEND

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

### OPERATIONS

Tea production during the year was 12.73 lacs Kgs with an average yield of 2357 kgs. per hectare against 13.35 lacs Kgs with an average yield of 2420 kgs. per hectare during last year. Apart from this there is also a production of 6.84 Lacs kgs of bought leaf as against 4.64 Lacs Kgs during the previous year. The sale average during the year was at Rs. 97.48/- per Kg as against the last year's sale average of Rs. 71.63/- per Kg

### DIRECTORATE

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

During the year, Mr. Ajit Thomas has resigned from the office of Managing Director of the company with effect from January 31, 2010. The Board accepted the resignation and places on record its appreciation for the guidance and invaluable services rendered by Mr. Ajit Thomas during his tenure as Managing Director of the Company.

### AUDITORS

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

### DEPOSIT

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

### PARTICULARS OF EMPLOYEES:

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

### CONSERVATION OF ENERGY

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is set out in the Annexure.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company's Foreign Exchange Earnings amounted to Rs. 10,25,09,339/-. The total outgo in Foreign Exchange amounted to Rs. 19,80,710/-. The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

### DIRECTORS RESPONSIBILITY STATEMENT

Your Directors report that :

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

- iv) The annual accounts have been prepared on a going concern basis

#### **SECRETARIAL COMPLIANCE**

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

#### **GENERAL**

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

For and On behalf of the Board  
For Neelamalai Agro Industries Ltd.

Place : Chennai  
Date : 31.05.2010

**Ajit Thomas**  
Chairman

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

**FORM-A**

(SEE RULE 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	<b>Current Year</b>	Previous Year
<b>A. POWER AND FUEL CONSUMPTION</b>	<b>2009-2010</b>	2008-2009
1. Electricity		
a) Purchased		
Unit	<b>8,04,600</b>	7,22,808
Total Amount (Rs.)	<b>38,66,394</b>	37,05,805
Rate / Unit (Rs.)	<b>4.80</b>	5.13
b) Own Generation		
Unit	<b>49,516</b>	86,300
Unit / litre of HSD Oil	<b>2.39</b>	2.23
Cost / Unit (Rs.)	<b>14.57</b>	17.23
2. Coal / Coal fines / Leco / Leco fines		
Quantity (Tons)	<b>1,008.445</b>	863.555
Total Cost	<b>52,03,576</b>	40,07,066
Average Cost (Rs.)	<b>5,160</b>	5,335
3. Firewood		
Quantity (Tons)	<b>1,140.000</b>	1,070.760
Total Cost	<b>17,10,000</b>	22,48,596
Average Cost (Rs.)	<b>1,500</b>	2,100
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production - Tea	<b>19,56,525</b>	17,99,878
Unit (TNEB + Generator)	<b>8,54,116</b>	8,09,108
Electricity (KWH/kg of tea produced)	<b>0.44</b>	0.45
Leco / Coal / Coal Fines (kgs/kg of tea produced)	<b>0.79</b>	0.74
Firewood (kgs/kg of tea produced)	<b>1.67</b>	1.69

For and On behalf of the Board  
For Neelamalai Agro Industries Ltd.

Place : Chennai  
Date : 31.05.2010

**Ajit Thomas**  
Chairman

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

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

Registration No. : L01117TZ1943PLC000117
Paid-up Capital : Rs. 62,73,500/-

To

The Members

Neelamalai Agro Industries Limited

I have examined the registers, records, books and papers of Neelamalai Agro Industries Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31<sup>st</sup> March 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid period:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Coimbatore within the prescribed time under the Act and rules made there under.
3. The Company being Public Limited Company, provisions of Section 3 (1) (iii) are not applicable.
4. The Board of Directors met four times during the year under review on 27.05.2009, 27.07.2009, 29.10.2009 and 29.01.2010 in respect of which meetings proper notices were given and the proceedings have been properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 10.08.2009 to 17.08.2009 and necessary compliance of Section 154 has been made.
6. The Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2009 was held on 17.08.2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

7. No Extra-ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has complied with the provisions of Section 297 of the Act in respect of the Contracts specified in that Section.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate certificate during the financial year.
13. The Company has:
  - i. Delivered all the certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.
  - ii. Deposited the amount of dividend declared in a separate bank account on 17.08.2009 which is within 5 days from the date of declaration of such dividend, i.e 17.08.2009.
  - iii. Paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/ unpaid dividend has been transferred to Unpaid Dividend Account of the Company with the HDFC Bank Limited, Ernakulam, on 23.09.2009.
  - iv. Transferred the amounts in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - v. Duly complied with the requirements of Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted and there was no appointment of any director, additional director/ alternate directors and directors to fill casual vacancy during the financial year.

15. The appointment of Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII of the Act. However there was no appointment of a Managing Director/Whole Time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was required to make an application to the Central Government for appointment of cost auditor, which was duly made and the approval obtained. No application was required to be made to the Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under various provisions of the Act, during the financial year under review.
18. The directors have disclosed their interests in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any equity shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any fresh deposits including any unsecured loans, falling within the purview of Section 58A during the financial year. However the Company has filed Return of Deposits with the Registrar of Companies for the existing deposits.
24. The amount borrowed by the company from financial institutions and banks during the financial year ending 31<sup>st</sup> March, 2010 are within the borrowing limits of the company and that necessary resolutions as per Section 293(1) (d) of the Act have been passed in duly convened Annual General Meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose. However investments have been made and necessary entries in respect thereof have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As per the information and explanation provided to me, the Company has deposited both employer's and employee's contribution towards Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

**V. Suresh**

Place : Cochin  
Date : 31.05.2010

Practising Company Secretary  
C P No. 6032



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

*To the Secretarial Compliance Certificate - Contd.*

### *Registers as maintained by the company*

#### *Statutory Registers*

- |   |  |
|---|--|
| <ol style="list-style-type: none"><li>1. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975.</li><li>2. Register of Charges under Section 143 and copies of instrument creating charge under Section 136.</li><li>3. Register of Members under Section 150.</li><li>4. Minutes Book of meetings of the Board/ Shareholders.</li><li>5. Register of particulars of Contracts in which Directors are interested under Section 301.</li></ol> | <ol style="list-style-type: none"><li>6. Register of Directors, Managing Director, Manager and Secretary under Section 303.</li><li>7. Register of Directors' Shareholdings under Section 307.</li><li>8. Register of Investments/ Loans made, Guarantee given or Security provided under Section 372A.</li><li>9. Register of Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960.</li></ol> |
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## A N N E X U R E - B

*To the Secretarial Compliance Certificate*

Returns, Documents and Forms filed with the Registrar of Companies, Tamil Nadu during the year 01.04.2009 to 31.03.2010.

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|---|---|
| <ol style="list-style-type: none"><li>1. Form 23C in respect of application to Central Government for appointment of Cost Auditor for the years ended 31.03.2008 and 31.03.2009 was filed on 09.06.2009.</li><li>2. Form 62 in respect of Return of Fixed Deposits for the existing deposits for the year ended 31.03.2009 was filed on 27.06.2009.</li><li>3. Form 8 in respect of creation of charge for availing a Term Loan of Rs. 182.75 lakhs from Corporation Bank was filed on 18.07.2009.</li><li>4. Balance Sheet (Form 23AC), Profit &amp; Loss Account (Form 23 ACA), Directors' Report and Auditors' Report under Section 220 of the Companies Act, 1956 for the financial year ended 31.03.2009 was filed on 15.09.2009.</li><li>5. Compliance Certificate under Section 383A of the Companies Act, 1956 for the year 2008-09 was filed on 15.09.2009.</li><li>6. Annual Return (Schedule V) under Section 159 for the Annual General Meeting held on 17.08.2009 was filed on 19.10.2009.</li><li>7. Cost Audit Report for the year ended 31.03.2009 was filed on 04.11.2009.</li></ol> | <ol style="list-style-type: none"><li>8. Form 25C in respect of appointment of Managing Director was filed on 25.12.2009.</li><li>9. Form 23 in respect of Board Resolution for re-appointment of and payment of remuneration to Managing Director was filed on 25.12.2009.</li><li>10. Form 23 in respect of Special Resolution for re-appointment of and payment of remuneration to Managing Director was filed on 25.12.2009.</li><li>11. Form 1 in respect of statement of amount credited to Investor Education &amp; Protection Fund, the Unpaid/unclaimed dividend amounting to Rs.2,43,675/- pertaining to the year 2001-02 was filed on 25.02.2010.</li><li>12. Form 32 for resignation of Mr. Ajit Thomas from the post of Managing Director was filed on 02.03.2010.</li><li>13. Form 17 in respect of satisfaction of charge created for availing Term Loan of Rs. 33 lakhs from The Federal Bank Ltd. was filed on 09.03.2010.</li></ol> |
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**V. Suresh**

Place : Cochin  
Date : 31.05.2010

Practising Company Secretary  
C P No. 6032

## **A U D I T O R S ' R E P O R T**

*To the members of Neelamalai Agro Industries Limited*

We have audited the attached Balance Sheet of NEELAMALAI AGRO INDUSTRIES LIMITED, KATARY, as at 31<sup>st</sup> March 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto, together with the Notes thereon and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of account as required by Law, have been kept by the Company so far as appears from our examination of those books.

- (iii) The Balance Sheet and Profit and Loss Account read with the Notes forming part thereof, dealt with by this Report, are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account, dealt with by this Report, comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- (v) Based on the written representations made by the Directors and taken on record by the Board of Directors, we state that none of the Directors is disqualified from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
- (vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the Notes forming part thereof, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2010;
  - b) in the case of the Profit and Loss Account, of the **PROFIT** for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

Chennai  
31.05.2010

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

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) Physical verification of major items of these assets has been conducted by the Management during the financial year and no material discrepancies were noticed on such verification.
- c) No substantial part of fixed assets of the company has been disposed off during the year.
- ii) a) Physical verification of Inventory has been conducted by the Management at reasonable intervals.
- b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventory and no material discrepancies have been noticed on physical verification of inventory as compared to book records.
- iii) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties, covered in the register maintained under Section 301 of the Act and hence the clauses (iii) (a), (b), (c) & (d) of the Order are not applicable.
- b) The rate of interest and other terms and conditions of Fixed Deposits accepted by the Company are not prima facie prejudicial to the interest of the Company.
- c) In respect of Fixed Deposit accepted, the Company is regular in payment of principal and interest.
- iv) The Company has adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods or services.
- v) a) The particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or other provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- vii) The Company has an Internal Audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it. No undisputed statutory dues which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) There are no disputed statutory dues.
- x) The Company has no accumulated losses. The Company has not incurred any cash loss in the current financial year and in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to banks.

- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society.
- xiv) The Company is not dealing or trading in shares, securities, debentures or other investments.
- xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company has applied the term loans for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares during the year.

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

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

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

Chennai  
31.05.2010

# BALANCE SHEET

As at 31st March 2010

	Schedules	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SOURCES OF FUNDS</b>			
<i>Shareholders' Funds</i>			
a) Share Capital	1	62,73,500	62,73,500
b) Reserves and Surplus	2	20,83,52,439	18,48,51,488
		<u>21,46,25,939</u>	<u>19,11,24,988</u>
<i>Loan Funds</i>			
a) Secured Loans	3	1,53,09,304	53,29,756
b) Unsecured Loans	4	11,11,000	14,33,000
		<u>1,64,20,304</u>	<u>67,62,756</u>
TOTAL		<u>23,10,46,243</u>	<u>19,78,87,744</u>
<b>APPLICATION OF FUNDS</b>			
<i>Fixed Assets</i>			
Gross Block	5	9,72,99,826	8,87,78,433
Less: Depreciation		6,11,19,837	5,70,27,285
Net Block		<u>3,61,79,989</u>	<u>3,17,51,148</u>
<i>Investments</i>	6	<u>17,90,17,834</u>	<u>16,46,09,028</u>
<i>Current Assets, Loans and Advances</i>			
a) Inventories	7	1,69,33,401	77,81,752
b) Sundry Debtors	8	2,00,69,262	79,73,979
c) Cash and Bank Balances	9	56,26,831	30,71,630
d) Others: Income Accrued		1,28,973	62,177
e) Loans and Advances	10	93,71,283	81,10,310
		<u>5,21,29,750</u>	<u>2,69,99,848</u>
<i>Current Liabilities and Provisions</i>			
a) Current Liabilities	11	1,66,64,827	1,06,28,500
b) Provisions	12	1,96,16,503	1,48,43,780
		<u>3,62,81,330</u>	<u>2,54,72,280</u>
Net Current Assets		<u>1,58,48,420</u>	<u>15,27,568</u>
TOTAL		<u>23,10,46,243</u>	<u>19,78,87,744</u>
Notes on Accounts	20		

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

Vide our report of date attached

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

For and on behalf of the Board

**S. Ganesan**  
Partner  
Place : Chennai  
Date : 31.05.2010  
Membership No. 18525

**Ajit Thomas**  
Chairman

**S. Rajasekar**  
Director

## **PROFIT AND LOSS ACCOUNT**

*For the Year Ended 31st March 2010*

	Schedules	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
<b>INCOME</b>			
Income from Operations	13	18,40,78,307	13,67,42,241
Less : Excise Duty and Cess		<u>6,00,979</u>	<u>5,47,668</u>
		18,34,77,328	13,61,94,573
Other Receipts	14	<u>2,39,19,297</u>	<u>2,69,46,841</u>
		<u>20,73,96,625</u>	<u>16,31,41,414</u>
<b>EXPENDITURE</b>			
Increase (-) / Decrease (+) in Stock	15	(-) 80,17,000	(+ 23,73,000)
Consumption of Raw Materials		4,52,22,398	2,54,40,630
Purchases	16	9,60,739	4,32,682
Employees Cost	17	6,45,23,726	5,67,56,801
Other Expenditure	18	6,35,41,966	4,78,83,668
Interest	19	13,66,236	10,77,495
Depreciation		<u>43,82,159</u>	<u>35,58,028</u>
		<u>17,19,80,224</u>	<u>13,75,22,304</u>
<b>PROFIT FOR THE YEAR</b>			
		<u>3,54,16,401</u>	<u>2,56,19,110</u>
Provision for			
- Current Tax		46,00,000	15,00,000
- Deferred Tax		Nil	(90,000)
- Fringe Benefit Tax		Nil	2,00,000
		<u>3,08,16,401</u>	<u>2,40,09,110</u>
Surplus Brought forward		<u>59,84,188</u>	<u>43,14,759</u>
		<u>3,68,00,589</u>	<u>2,83,23,869</u>
Transfer to General Reserve		2,50,00,000	1,50,00,000
Proposed Dividend on Equity Shares @ Rs. 10/- per share		62,73,500	62,73,500
Provision for Tax on Dividend		10,41,950	10,66,181
Surplus carried forward		<u>44,85,139</u>	<u>59,84,188</u>
		<u>3,68,00,589</u>	<u>2,83,23,869</u>
Earnings per Share (Basic and Diluted)		49.12	38.27
Notes on Accounts	20		

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

Vide our report of date attached

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

For and on behalf of the Board

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

**Ajit Thomas**  
Chairman

**S. Rajasekar**  
Director

Place : Chennai  
Date : 31.05.2010

**SCHEDULES**  
*To the Balance Sheet*

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<i>Authorised</i>		
9,00,000 - Equity Shares of Rs.10/- each	<b>90,00,000</b>	90,00,000
3,50,000 - 5% Preference Shares of Rs.10/- each	<b>35,00,000</b>	35,00,000
	<b><u>1,25,00,000</u></b>	<u>1,25,00,000</u>
<i>Issued, Subscribed and paid up</i>		
6,27,350 - Equity Shares of Rs.10/- each fully paid up	<b><u>62,73,500</u></b>	<u>62,73,500</u>
<i>Note :</i> Of the above 3,12,969 Equity shares of Rs. 10/- each are allotted as fully paid-up by way of Bonus Shares by Capitalisation of General Reserve.		
<b>SCHEDULE : 2</b>		
<b>RESERVES AND SURPLUS</b>		
<i>Capital Redemption Reserve</i>		
As per last Balance Sheet	<b>27,26,500</b>	27,26,500
<i>General Reserve</i>		
As per last Balance Sheet	<b>17,61,40,800</b>	
Add: Transfer from Profit and Loss Account	<b><u>2,50,00,000</u></b>	17,61,40,800
<i>Surplus</i>		
Balance in Profit and Loss Account	<b><u>44,85,139</u></b>	59,84,188
	<b><u>20,83,52,439</u></b>	<u>18,48,51,488</u>

**SCHEDULES**  
*To the Balance Sheet*

	<b>As at 31.03.2010 Rs.</b>	As at 31.03.2009 Rs.
<b>SCHEDULE : 3</b>		
<b>SECURED LOANS</b>		
From Banks		
Secured against hypothecation of Stock-in-Trade, Standing Crops, Book Debts, Vehicles and also equitable mortgage of Katary Estate with buildings thereon		
(a) Working Capital Facilities	<b>1,16,87,656</b>	47,35,881
(b) Term Loan	<b>36,21,648</b>	5,93,875
	<b><u>1,53,09,304</u></b>	<u>53,29,756</u>
<b>SCHEDULE : 4</b>		
<b>UNSECURED LOANS</b>		
Public Deposits	<b>* 11,11,000</b>	14,33,000
(* Includes Rs.10,26,000/- repayable within one year)		



## SCHEDULES

*To the Balance Sheet*

### SCHEDULE 5 FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2009 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2010 Rs.	Up to 31.03.2009 Rs.	For the year Rs.	Withdrawn Rs.	Upto 31.3.2010 Rs.	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
Land and Development	52,54,315	Nil	Nil	52,54,315	Nil	Nil	Nil	Nil	52,54,315	52,54,315
Buildings	2,75,74,978	Nil	Nil	2,75,74,978	1,34,31,520	7,57,697	Nil	1,41,89,217	1,33,85,761	1,41,43,458
Plant and Machinery	4,53,01,120	14,25,179	11,11,303	4,56,14,996	3,49,50,208	26,10,512	Nil	3,75,60,720	80,54,276	1,03,50,912
Furniture and Fittings	36,88,994	1,80,675	Nil	38,69,669	34,29,796	63,257	Nil	34,93,053	3,76,616	2,59,198
Vehicles	69,59,026	83,20,958	2,94,116	1,49,85,868	52,15,761	9,50,693	2,89,607	58,76,847	91,09,021	17,43,265
	8,87,78,433	99,26,812	14,05,419	9,72,99,826	5,70,27,285	43,82,159	2,89,607	6,11,19,837	3,61,79,989	3,17,51,148
Previous year	8,00,04,865	92,03,568	4,30,000	8,87,78,433	5,37,76,801	35,58,028	3,07,544	5,70,27,285	3,17,51,148	2,62,28,064

**SCHEDULES**  
*To the Balance Sheet*

**SCHEDULE : 6**

**INVESTMENTS**

Description	As at 01.04.2009			Additions			Deductions			As at 31.03.2010		
	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.		
<b>LONG TERM</b>												
<b>1. SHARES IN COMPANIES</b>												
<b>A. EQUITY SHARES</b>												
<b>(i) QUOTED:</b>												
L. J. International Ltd.	64	313			64	313						
Matheson Bosanquet Enterprises Ltd.	880	5,290			880	5,290						
The Devashola (Nilgiri) Tea Estates Company Ltd.	134	1,284			134	1,284						
The Periakaramalai Tea & Produce Co. Ltd.	129	6,238			129	6,238						
AVT Natural Products Ltd.	38,07,100	3,23,70,835			38,07,100	3,23,70,835						
TATA Consultancy Services Ltd. (Face value Re. 1/- per Share)	1,216	5,16,800			1,216	5,16,800						
		<u>3,29,00,760</u>				<u>3,29,00,760</u>					<u>3,29,00,760</u>	
Less : Diminution		Nil									<u>11,457</u>	
		<u>3,29,00,760</u>	(i)			<u>3,29,00,760</u>					<u>3,28,89,303</u>	
<b>(ii) UNQUOTED:</b>												
AVT McCormick Ingredients Private Ltd. (ii)	31,50,000	3,15,00,000								31,50,000	3,15,00,000	
AVT Gavia Foods Private Ltd (ii)	5,00,000	50,00,000								7,50,000	75,00,000	
Midland Corporate Advisory Services Pvt Ltd. (ii)	2,50,000	25,00,000			2,50,000	25,00,000				2,50,000	25,00,000	
Pulsar Electronics Ltd. (In liquidation)	11,800	Nil			11,800	Nil				11,800	Nil	
Tea Serve Ltd.	1	5,000			1	5,000				1	5,000	
(Face value Rs. 5,000/- per share)												
		<u>3,90,05,000</u>				<u>25,00,000</u>					<u>4,15,05,000</u>	
<b>B. REDEEMABLE PREFERENCE SHARES (UNQUOTED)</b>												
AVT Infotech Private Ltd. (ii)	10,00,000	1,00,00,000								10,00,000	1,00,00,000	
<b>C. SUBSCRIBED PENDING ALLOTMENT</b>												
AVT Gavia Foods Private Ltd.		25,00,000				25,00,000				25,00,000	25,00,000	
Carried Forward		8,44,05,760				50,00,000				25,00,000	8,68,94,303	

**SCHEDULES**  
*To the Balance Sheet*

**SCHEDULE : 6 (contd.)**  
**INVESTMENTS (Contd.)**

Description	As at 01.04.2009			Additions			Deductions			As at 31.03.2010		
	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.		
Brought Forward		8,44,05,760		50,00,000		25,00,000				8,68,94,303		
<b>2. MUTUAL FUNDS</b>												
Sundaram BNP Paribas Energy Opportunities Fund	2,50,000	25,00,000					2,50,000			25,00,000		
Less : Diminution in value		<u>25,00,000</u>								<u>4,17,525</u>		
										<u>20,82,475</u>		
<b>3. IN IMMOVABLE PROPERTIES</b>												
Land		<u>1,17,44,890</u>		<u>1,18,00,000*</u>						<u>2,35,44,890</u>		
<b>CURRENT</b>												
<b>1. SHARES IN COMPANIES</b>												
Aban Lyod Chiles Offshore Limited	1,000	20,44,811							1,000	20,44,811		
Less : Diminution in value		<u>16,45,161</u>								<u>16,45,161</u>		
										<u>3,99,650</u>		
<b>2 MUTUAL FUNDS</b>												
Franklin Templeton Mutual Fund												
- Treasury Management Account Regular plan	404	6,11,829	13	19,618					417	6,31,447		
- Daily Dividend Reinvestment												
HDFC Cash Management Fund												
- Treasury Advance Plan - Daily Dividend	64,74,296	6,49,46,899	32,21,669	3,23,18,170	31,70,014	3,18,00,000	65,25,951	6,54,65,069				
(i)		<u>6,55,58,728</u>		<u>3,23,37,788</u>		<u>3,18,00,000</u>		<u>6,60,96,516</u>				
		<u>16,46,09,028</u>		<u>4,91,37,788</u>		<u>3,43,00,000</u>		<u>17,90,17,834</u>				

**Notes**

\* Pending registration

(i) Market value of Quoted Investments:-

Shares in Companies

Net Asset value of Mutual Funds

Long Term : Rs. 34,94,90,943/-

Long Term : Rs. 20,82,475/-

Current : Rs. 11,65,150/-

Current : Rs. 6,60,96,516/-

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

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

**SCHEDULES**  
*To the Balance Sheet*

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SCHEDULE : 7</b>		
<b>INVENTORIES</b>		
Stores and Spares	31,53,401	20,18,752
Stock in Trade	<u>1,37,80,000</u>	<u>57,63,000</u>
	<u>1,69,33,401</u>	<u>77,81,752</u>
<b>SCHEDULE : 8</b>		
<b>SUNDRY DEBTORS</b>		
Considered Good-Unsecured		
(a) Debts outstanding for a period exceeding six months	Nil	7,210
(b) Other Debts	<u>2,00,69,262</u>	<u>79,66,769</u>
	<u>2,00,69,262</u>	<u>79,73,979</u>
<b>SCHEDULE : 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash and stamps on hand	61,497	69,461
Bank Balances With Scheduled Banks		
In Current Account	29,05,433	6,10,493
In Dividend/Capital Refund Account	23,59,901	20,91,676
In Deposit Account	<u>3,00,000</u>	<u>3,00,000</u>
	<u>56,26,831</u>	<u>30,71,630</u>
<b>SCHEDULE : 10</b>		
<b>LOANS AND ADVANCES</b>		
Considered good - Unsecured		
Advances recoverable in cash or in kind or for value to be received	14,84,844	32,30,524
Prepaid taxes and refunds due	52,61,049	23,55,137
<i>Deposits</i>		
(a) With NABARD under Tea Development Scheme	20,05,650	18,04,090
(b) Other Deposits	<u>6,19,740</u>	<u>7,20,559</u>
	<u>93,71,283</u>	<u>81,10,310</u>

**SCHEDULES**  
*To the Balance Sheet*

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SCHEDULE : 11</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors:	<b>1,41,70,015</b>	84,11,149
Dues to Micro & Small Enterprises	Nil	Nil
Investor Education & Protection Fund		
- Unpaid Dividend	<b>21,33,791</b>	18,65,566
- Unclaimed Matured Deposits	Nil	25,000
Unpaid Preference Capital Refund	<b>2,26,110</b>	2,26,110
Interest accrued but not due on loans	<b>1,34,911</b>	1,00,675
	<b><u>1,66,64,827</u></b>	<u>1,06,28,500</u>

**SCHEDULE : 12**

**PROVISIONS**

For Taxation	<b>88,95,240</b>	45,23,474
For Fringe Benefit Tax	Nil	2,33,647
For Provision for Gratuity	<b>26,84,057</b>	23,55,094
For Leave Encashment	<b>7,21,756</b>	3,91,884
For Proposed Dividend on Equity Shares	<b>62,73,500</b>	62,73,500
For Tax on Dividend	<b>10,41,950</b>	10,66,181
	<b><u>1,96,16,503</u></b>	<u>1,48,43,780</u>

**S C H E D U L E S**  
*To the Profit and Loss Account*

	Year ended		Year ended	
	Qty	31.03.2010	Qty	31.03.2009
	Kgs.	Rs.	Kgs.	Rs.
<b>SCHEDULE : 13</b>				
<b>INCOME FROM OPERATIONS</b>				
Sales - Tea	18,85,484	18,37,94,190	18,57,261	13,30,39,134
Exchange Fluctuations		2,84,117		(20,63,680)
Tea Board subsidy		Nil		57,66,787
		<u>18,40,78,307</u>		<u>13,67,42,241</u>
<b>SCHEDULE : 14</b>				
<b>OTHER RECEIPTS</b>				
Income from Investments				
- Long Term		1,47,50,389		1,93,96,172
- Current		27,37,787		22,25,108
Interest Received		1,93,220		11,18,117
(Tax deducted at Source Rs.31,381/-)				
Profit / (Loss) on Sale of Investments				
- Long Term		Nil		2,01,503
- Current		Nil		(12,942)
Profit on Sale of Assets		31,046		(17,984)
Sale of Import Entitlements		43,66,953		28,93,100
Miscellaneous Receipts		18,39,902		11,43,767
		<u>2,39,19,297</u>		<u>2,69,46,841</u>
<b>SCHEDULE : 15</b>				
<b>INCREASE(-)/DECREASE(+) IN STOCK</b>				
<b>Tea</b>				
Opening Stock	86,821	57,63,000	1,38,974	81,36,000
Closing Stock	1,64,775	1,37,80,000	86,821	57,63,000
	(-)	<u>80,17,000</u>	(+)	<u>23,73,000</u>
<b>SCHEDULE : 16</b>				
<b>PURCHASES</b>				
Tea	6,913	9,60,739	5,230	4,32,682
<b>SCHEDULE : 17</b>				
<b>EMPLOYEES COST</b>				
Salaries, Wages and Bonus		5,58,15,845		4,64,24,926
Contribution to Provident and Other Funds		63,12,914		80,13,038
Provision for Gratuity and Leave Encashment		6,58,835		1,52,717
Welfare Expenses		17,36,132		21,66,120
		<u>6,45,23,726</u>		<u>5,67,56,801</u>

**S C H E D U L E S**  
*To the Profit and Loss Account*

	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
<b>SCHEDULE : 18</b>		
<b>OTHER EXPENDITURE</b>		
Consumption of Stores and Spares	1,34,28,350	1,09,49,714
Power and Fuel	1,21,51,039	1,22,16,985
Rates and Taxes	6,47,149	2,88,785
Transport and Warehousing	45,52,427	57,80,689
Brokerage and Commission	38,30,962	30,36,451
Repairs to and Maintenance of :-		
Roads and Buildings	1,42,86,864	23,69,454
Machinery	14,05,415	8,63,659
Vehicles	33,56,239	23,16,173
Others	1,14,944	4,30,278
Printing and Stationary	3,05,487	3,19,949
Postage and Telephones	4,90,296	4,76,716
Legal Expenses	19,000	95,564
Directors' Sitting Fees	54,000	78,000
Auditors' Remuneration:-		
For Audit	3,50,000	2,50,000
For Certification / Tax Audit	1,35,000	1,35,000
For Tax Representation	1,80,000	1,50,000
For Travelling and other Expenses	89,500	1,16,500
For Service Tax	77,714	75,046
Insurance	9,36,296	6,13,592
Advertisement and Sales Promotion	5,52,115	5,94,304
Bank Charges	5,61,106	3,10,741
Travelling Expenses	21,83,076	21,85,151
Provision for Diminution in Value of Investments	4,28,982	11,07,632
Miscellaneous Expenses	34,06,005	31,23,285
	<b>6,35,41,966</b>	<b>4,78,83,668</b>
<b>SCHEDULE : 19</b>		
<b>INTEREST</b>		
Fixed Loans	4,76,149	3,95,914
Others	8,90,087	6,81,581
	<b>13,66,236</b>	<b>10,77,495</b>

**S C H E D U L E S**  
*Notes on Accounts for the year ended 31st March 2010*

**SCHEDULE : 20**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**I. ACCOUNTING CONVENTION**

The financial statements have been prepared on the historical cost convention in accordance with the normally accepted accounting principles.

**II. FIXED ASSETS AND DEPRECIATION**

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

**III. IMPAIRMENT OF ASSETS**

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

**IV. EXPENDITURE ON NEW PLANTING**

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

**V. EXPENDITURE ON REPLANTING**

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

**VI. INVESTMENTS**

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

**VII. INVENTORIES**

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

**VIII. REVENUE RECOGNITION**

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

**IX. RETIREMENT BENEFITS**

Liability towards Gratuity and Leave encashment is determined on the basis of Annual Actuarial Valuation and contributions to Provident, Superannuation and Gratuity Funds and provision for incremental liability towards Leave encashment are charged to Revenue.

**X. FOREIGN CURRENCY TRANSACTIONS**

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



## S C H E D U L E S

*Notes on Accounts - contd.*

### SCHEDULE : 20 (contd.)

#### B. OTHERS

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

I) Registration details		Balance sheet	Date	
Registration No: L01117TZ1943PLC000117	State Code: 181	Date : 31	Month : 03	Year : 2010
II) Capital raised during the year (Amount in Rs. Thousands)				
Public Issue	Nil	Rights Issue	Nil	
Bonus Issue	Nil	Private placement	Nil	
III) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)				
Total liabilities	2,31,046	Total assets	2,31,046	
<b>SOURCES OF FUNDS</b>				
Paid-up capital	6,274	Reserves and surplus	2,08,352	
Secured loans	15,309	Unsecured loans	1,111	
<b>APPLICATION OF FUNDS</b>				
Net fixed assets	36,180	Investments	1,79,018	
Net current assets	15,848	Miscellaneous		
Accumulated losses	Nil	Expenditure	Nil	
IV) Performance of company (Amount in Rs. Thousands)				
Turnover	2,07,397	Total Expenditure	1,71,980	
Profit(+)/Loss(-) Before Tax	35,417	Profit(+)/Loss(-) After Tax	30,816	
Earnings per Share (Rs.)	49.12	Dividend Rate:	100%	
V) Generic Names of Three Principal Products/services of Company (as per monetary terms)				
Item Code No. (ITC Code)		Product Description		
0902		Tea		

**S C H E D U L E S**  
*Notes on Accounts - contd.*

		Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE : 20 (contd.)</b>			
<b>B. OTHERS (Contd.)</b>			
<b>2. CAPACITY AND PRODUCTION (IN KGS)</b>			
Description of Produce	Licensed Capacity	Installed Capacity	Actual Production Kgs
Tea	Not Applicable	23,00,000	Own leaf 12,72,850 Bought leaf 6,83,675
			13,35,485 4,64,393
<b>3. PARTICULARS OF GREEN LEAF (IN KGS)</b>			
Opening and Closing Stock			Nil
Produced and Processed			50,31,475
Purchased and Processed			27,30,480
<b>4. PARTICULARS OF CONSUMPTION</b>			
		Value in Rs.	%
(a) Raw Materials - Bought Leaf			
Indigenous		4,52,22,398	100%
(b) Stores and Spares:			
Indigenous		1,22,77,938	91.43%
Imported		11,50,412	8.57%
		1,34,28,350	100.00%
		2,54,40,630	100%
		1,07,85,541	98.50%
		1,64,173	1.50%
		1,09,49,714	100.00%
<b>5. EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY</b>			
a) Earnings :			
FOB Value of Exports		10,25,09,339	4,27,70,783
b) CIF Value of Imports :			
Capital Goods		Nil	38,15,050
Stores and Spares		9,46,319	9,04,842
c) Expenditure :			
Testing Fee		5,12,297	2,80,001
Travelling Expenses		5,07,672	2,99,787
Registration Fee		14,422	

## **S C H E D U L E S**

*Notes on Account - contd.*

	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE : 20 (contd.)</b>		
<b>B. OTHERS (Contd.)</b>		
<b>6. REMUNERATION PAID TO MANAGING DIRECTOR</b>		
<b>Mr. Ajit Thomas (upto 31.01.2010)</b>		
(a) Salary	8,50,000	6,60,000
(b) Contribution to Provident and Other funds	1,37,417	3,28,700
(c) Sitting fees	Nil	12,000
	<b>9,87,417</b>	<b>10,00,700</b>
Notes		
i) Remuneration to Managing Director is paid in accordance with Section II of Part II of Schedule XIII to the Companies Act, 1956.		
ii) Mr. Ajit Thomas, Managing Director, has also been paid a remuneration of Rs. 10,20,000 (Previous Year Rs. 10,20,000), besides Contribution to Provident and other Funds Rs.3,17,900 (Previous Year Rs. 3,17,900) and allowances and perquisites Rs. 1,28,982 (Previous Year Rs. 1,08,304) by The Midland Rubber & Produce Co.Ltd., in which he is the Managing Director.		
<b>7. SUNDRY DEBTORS INCLUDE</b>		
Debts due by Private Limited Company in which there are common Directors		
Teleflex Medical (P) Ltd (Since Received)	43,027	Nil
A.V.T. Infotech (P) Ltd (Since Received)	1,400	Nil
<b>8. DUE TO MICRO AND SMALL ENTERPRISES</b>		
Based on the information available with the Company, the principal amount due to Micro and Small Enterprises as on 31.03.2010 is Nil. There are no overdue principal amounts and therefore no interest is paid or payable.		
<b>9. EARNINGS PER SHARE</b>		
Profit after Taxation	3,08,16,401	2,40,09,110
Number of Equity Shares outstanding at the end of the year	6,27,350	6,27,350
Earnings per share (Basic and Diluted)	49.12	38.27
<b>10. CONTINGENT LIABILITY</b>		
Claims against the company not acknowledged as debts	5,28,000	5,28,000

## **S C H E D U L E S**

*Notes on Account - contd.*

<b>Year ended</b> <b>31.03.2010</b>	Year ended 31.03.2009
--	--------------------------

### **11. SEGMENT REPORTING**

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

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

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

Secondary Segment Reporting:  
(Previous year's figures in brackets)

Particulars	Domestic Rs.	Export Rs.	Total Rs.
Revenue by Geographical Segment	8,12,84,851 (9,02,68,351)	10,25,09,339 (4,27,70,783)	18,37,94,190 (13,30,39,134)
Current Assets, Loans & Advances Sundry Debtors	36,91,467 (24,74,608)	1,63,77,795 (54,99,371)	2,00,69,262 (79,73,979)

### **12. TAXES ON INCOME**

The impact of deferred tax on income for the year is considered not material and hence not recognised.

### **13. EMPLOYEE BENEFITS**

i) Defined Benefit Plans

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

i) Gratuity Scheme

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

ii) Leave Encashment

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

## S C H E D U L E S

*Notes on Accounts - Contd.*

	Year ended 31.03.2010		Year ended 31.03.2009	
	Rs.		Rs.	
<b>SCHEDULE : 20 (Contd.)</b>				
<b>B: OTHERS (Contd.)</b>				
<b>13. EMPLOYEE BENEFITS (Contd.)</b>				
b) Reconciliation of changes in the Present Value of Obligation :				
	As on 31.03.2010		As on 31.03.2009	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded Plan)	(Non Funded Plan)	(Funded Plan)	(Non Funded Plan)
Present Value of the Obligation as on 01.04.2009	<b>2,02,45,132</b>	3,91,884	1,65,85,554	2,39,167
Current Service Cost	<b>16,48,105</b>	97,545	14,06,592	33,930
Interest Cost	<b>15,55,563</b>	31,351	12,49,925	19,133
Benefits Paid	<b>(16,01,185)</b>	Nil	(19,22,992)	Nil
Actuarial loss / (gain)	<b>15,49,801</b>	2,00,976	29,26,053	99,654
Present Value of the Obligation as on 31.03.2010	<b>2,33,97,416</b>	7,21,756	2,02,45,132	3,91,884
c) Reconciliation of changes in the fair value of Plan Assets				
Fair Value of Plan Assets as on 01.04.2009	<b>1,79,56,538</b>	Nil	1,42,30,460	Nil
Expected return on plan assets	<b>17,20,700</b>	Nil	14,35,200	Nil
Contribution by the Company	<b>28,92,414</b>	Nil	44,92,735	Nil
Benefits Paid	<b>(16,01,185)</b>	Nil	(19,22,992)	Nil
Actuarial gain / (Loss)	<b>(2,55,108)</b>	Nil	(2,78,865)	Nil
Fair Value of Plan Assets as on 31.03.2010	<b>2,07,13,359</b>	Nil	1,79,56,538	Nil
d) The total expense recognised in the profit and loss account is as follows				
Current Service Cost	<b>16,48,105</b>	97,545	14,06,592	33,930
Interest Cost	<b>15,55,563</b>	31,351	12,49,925	19,133
Expected return on plan assets	<b>(17,20,700)</b>	NA	(14,35,200)	NA
Net Actuarial (gain) / loss recognised in the year	<b>18,04,909</b>	2,00,976	32,04,918	99,654
	<b>32,87,877</b>	3,29,872	44,26,235	1,52,717
e) Reconciliation of Net Liability recognised in the Balance Sheet				
Net Liability as at the beginning of the year	<b>22,88,594</b>	3,91,884	23,55,094	2,39,167
Add : Expense as (d) above	<b>32,87,877</b>	3,29,872	44,26,235	1,52,717
Less : Employer's Contribution / Payment	<b>28,92,414</b>	Nil	44,92,735	Nil
Net Liability as at the end of the year	<b>26,84,057</b>	7,21,756	22,88,594	3,91,884

## S C H E D U L E S

*Notes on Accounts - Contd.*

	Year ended 31.03.2010 Rs.	Year ended 31.03.2009 Rs.
--	---------------------------------	---------------------------------

### SCHEDULE : 20 (Contd.)

#### B: OTHERS (Contd.)

#### 13. EMPLOYEE BENEFITS (Contd.)

	As on 31.03.2010		As on 31.03.2009	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
f) Constitution of Plan Assets				
Investments in LIC Group Gratuity Scheme	<b>2,07,13,359</b>	N.A.	1,79,56,538	N.A.
g) Principal actuarial assumptions used as at the Balance Sheet Date				
Discount Rate	<b>8 %</b>	8 %	8 %	8 %
Salary Escalation Rate	<b>5 %</b>	5 %	5 %	5 %
Attrition Rate	<b>5 %</b>	5 %	5 %	5 %
Expected rate of return on plan assets	<b>9.25 %</b>	N.A.	9.25 %	N.A.

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

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

	31.03.2010	31.03.2009	31.03.2008
Gratuity funded plan			
Defined Benefit Obligation	2,33,97,416	2,02,45,132	1,65,85,914
Plan Assets	2,07,13,359	1,79,56,538	1,42,30,460
Surplus / (Deficit)	(26,84,057)	(22,88,594)	(23,55,454)
Experience adjustment - Plan Liability	15,49,801	29,26,053	18,74,351
Experience adjustment - Plan Assets	(2,55,108)	(2,78,865)	(49,621)

The Company expects to fund Rs. 33/- lakhs towards its Gratuity Plan during the year 2010 - 2011

ii) Defined Contribution Plans:

The Company makes contribution towards employees' provident fund, family pension fund, super annuation fund and employees' state insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised Rs. 34,20,500/- as expense towards contributions to these plans.

## S C H E D U L E S

*Notes on Accounts - contd.*

### SCHEDULE : 20 (contd.)

#### B. OTHERS (Contd.)

#### 14. RELATED PARTY TRANSACTIONS

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

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

Key Management Personnel :

Mr. Ajit Thomas, Chairman

Details of Transaction	Year ended 31.3.2010		Year ended 31.3.2009	
	Associates	Key Management Personnel (including relatives)	Associates	Key Management Personnel (including relatives)
<b>INCOME</b>				
Sales	70,69,100		88,65,364	
Dividend Received	1,47,31,810		1,93,72,384	
<b>EXPENDITURE</b>				
Purchases & C&F Charges	5,80,493		6,44,742	
Sitting Fees		6,000		12,000
Dividend paid		41,32,030		41,32,030
Professional Fees	3,50,000		2,00,000	
Remuneration paid to Managing Director (Refer Note : 6)		9,87,417		10,00,700
Donations Paid	10,00,000		8,00,000	
<b>OTHERS</b>				
Purchase of Fixed Assets		1,18,00,000	Nil	
Investments made	25,00,000		1,50,00,000	
Sale of investments	Nil		2,38,83,439	
<b>BALANCE AS ON 31.3.2010</b>				
Debit Balances	5,54,717		7,61,849	
Credit Balances	41,130		Nil	

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

Vide our report of date attached

For **SURI & CO.**

Chartered Accountants

Firm's Registration No. 004283S

**S. Ganesan**

Partner

Place : Chennai

Date : 31.05.2010

Membership No. 18525

For and on behalf of the Board

**Ajit Thomas**

Chairman

**S. Rajasekar**

Director

## **CASH FLOW STATEMENT**

*For the year ended 31st March 2010*

	<b>Year ended 31.03.2010 Rs</b>	Year ended 31.03.2009 Rs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	3,54,16,401	2,56,19,110
Adjustments for:		
Depreciation	43,82,159	35,58,028
Profit / Loss on sale of Investments	Nil	(1,88,561)
Profit/Loss on sale of Assets	(31,046)	17,984
Interest/Dividend Received	(1,76,81,396)	(2,27,39,397)
Interest Paid	13,66,236	10,77,495
Provision for Gratuity and Leave encashment	6,58,835	1,52,717
Provision for Diminution in Value of Investments	4,28,982	11,07,632
	<u>(1,08,76,230)</u>	<u>                    </u>
Operating Profit before working capital changes	2,45,40,171	86,05,008
Adjustments for:		
Trade and other Receivables	(1,20,95,283)	1,00,58,077
Inventories	(91,51,649)	21,18,204
Trade Payables	60,27,091	1,56,294
Other Current Assets	16,44,939	4,39,376
	<u>(1,35,74,902)</u>	<u>                    </u>
Cash generated from operations	1,09,65,269	2,13,76,959
Direct Taxes Paid	(33,67,793)	(24,66,602)
Cash flow before extraordinary items	75,97,476	1,89,10,357
Extraordinary Items	Nil	Nil
Net Cash From Operating Activities	<u>75,97,476</u>	<u>1,89,10,357</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(99,26,812)	(92,03,568)
Sale of Fixed Assets	35,555	1,04,472
Purchase of Investments	(4,91,37,787)	(13,84,49,272)
Subsidy received	11,11,303	Nil
Sale of Investments	3,43,00,000	11,50,12,778
Interest Received	1,26,424	12,83,896
Dividend Received	1,74,88,176	2,16,21,280
Net Cash from / (used in) Investing Activities	<u>(60,03,142)</u>	<u>(96,30,414)</u>



## CASH FLOW STATEMENT

*For the year ended 31st March 2010 - Contd.*

	Year ended 31.03.2010 Rs	Year ended 31.03.2009 Rs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Public Deposits	(3,47,000)	(7,57,000)
Proceeds from long term borrowings	30,27,773	(17,04,090)
Cash Credit	69,51,775	11,04,604
Interest Paid	(13,32,000)	(10,79,288)
Dividend Paid including Dividend Tax	(73,39,681)	(73,39,681)
Net Cash used in Financing Activities	9,60,867	(97,75,455)
	25,55,201	(4,95,512)
Net Increase/(Decrease) in cash and cash equivalents		
Cash and cash equivalents as at 01.04.2009 (Opening Balance)	30,71,630	35,67,142
Cash and cash equivalents as at 31.03.2010 (Closing Balance)	56,26,831	30,71,630
	25,55,201	(4,95,512)

Vide our report of date attached

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

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

For and on behalf of the Board

**Ajit Thomas**  
Chairman

**S. Rajasekar**  
Director

Place : Chennai  
Date : 31.05.2010

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

*For the last ten years*

Season	Net Profit before taxation Rs.	Provision for		Allocation to Reserve Funds Rs.	Dividend on Equity shares.	
		Depreciation Rs.	Taxation Rs.		Rs.	%
2000/2001	37,28,856	36,39,015	Nil	25,00,000	12,54,700	20
2001/2002	2,89,67,994	31,50,972	20,00,000	2,00,00,000	31,36,750	50
2002/2003	6,00,275	29,33,514	1,50,000	Nil	6,27,350	10
2003/2004	6,13,617	40,43,749	4,00,000	Nil	6,27,350	10
2004/2005	72,79,331	37,89,902	7,00,000	75,00,000	15,68,375	25
2005/2006	1,06,03,332	41,48,576	6,25,000	75,00,000	31,36,750	50
2006/2007	2,57,13,527	31,94,836	13,00,000	1,50,00,000	62,73,500	100
2007/2008	2,42,05,871	31,58,553	14,25,000	1,50,00,000	62,73,500	100
2008/2009	2,56,19,110	35,58,028	16,10,000	1,50,00,000	62,73,500	100
<b>2009/2010</b>	<b>3,54,16,401</b>	<b>43,82,159</b>	<b>46,00,000</b>	<b>2,50,00,000</b>	<b>62,73,500</b>	<b>100*</b>

\* Recommended

## **AREA PARTICULARS**

Area as on 01-04-2010

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

**NEELAMALAI AGRO INDUSTRIES LTD.**

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

**PROXY FORM  
ANNUAL GENERAL MEETING**

I/We.....  
of.....in the district of.....  
being a member / members of the above named Company hereby appoint.....  
of.....in the district of.....  
or failing him.....  
and vote for me/us on my/our behalf at the Sixty Seventh Annual General Meeting of the Company to be held on Tuesday, 14th September, 2010 and at any adjournment thereof.

Signed this..... day of ..... 2010

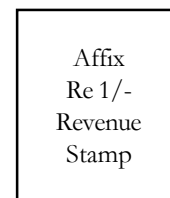
Signature .....

Full Name of the Share holder  
(in block letters)

Folio No. ....

Address .....

.....



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

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**NEELAMALAI AGRO INDUSTRIES LTD.**

**ATTENDANCE SLIP**

I hereby record my presence at the SIXTY SEVENTH ANNUAL GENERAL MEETING of the Company at 11.30 a.m. at Katary Estate, Katary Post - 643 213, Coonoor, The Nilgiris on Tuesday, 14th September, 2010.

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

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

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

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