

NEELAMALAI AGRO INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Ajit Thomas, *Chairman*

Mrs. Shanthi Thomas

Mr. C.R. Dorai Raj (*upto 12.10.2010*)

Mr. A.D. Bopana

Mr. H.M.A. Hussain

Mr. S. Rajasekar

Mr. W. D. Nelson (*w.e.f. 03.02.2011*)

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 EIGHTH 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 Wednesday, the 24th day of August, 2011 to transact the following business:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Audited Profit and Loss Account for the year ended 31st March, 2011 and the Reports of Directors and Auditors.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. A.D.Bopana, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr.S.Rajasekar, 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.

SPECIAL BUSINESS

6 Appointment of Mr. W. D. Nelson as Director

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

RESOLVED THAT Mr. W.D.Nelson who was co-opted as an Additional Director of the Company on 3rd February, 2011 and who holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation.

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of the above resolution, is annexed.

On Behalf of the Board

Place : Chennai
Date : 25.07.2011

Ajit Thomas
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. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of the above resolution, is annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 18th August, 2011 to 24th August, 2011 (both days inclusive).
4. The dividend as recommended by the Board, if approved at the meeting, will be payable to those members, whose name appear in the Register of Members as on 24th August, 2011.
5. 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.
6. Dividend on equity shares as recommended by the Board of Directors for the year ending 31st March, 2011, 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 24th August, 2011 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 17th August, 2011.
7. 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.
8. 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.

9. 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.

10. 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.

11. The Unpaid Dividend amounting to Rs. 54,772/- for the year 2002-2003 had been transferred to the Investor Education & Protection Fund as per Section 205C(2) of the Companies Act, 1956. Dividend declared for the year 2003-2004 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, 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.

12. 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

On Behalf of the Board

Place : Chennai
Date : 25.07.2011

Ajit Thomas
Chairman

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 6

Mr. W.D.Nelson was co-opted as an additional director pursuant to Article 108 of the Articles of Association of the Company by the Board of Directors at its meeting held on 3rd February, 2011.

As per the provisions of the said Article and Section 260 of the Companies Act, 1956, Mr. W.D.Nelson holds office up to the date of this Annual General Meeting. The Company has received a notice along with the deposit of Rs.500 from a member signifying his intention to propose the appointment of Mr. W.D.Nelson as Director of the Company, liable to retire by rotation.

Mr. W.D.Nelson is an Intermediate & Diploma Holder in Accounting and has vast experience of over 48 years in the areas of Land and Labour matters in Plantation Industry and General Management with A.V.Thomas Group Companies.

The Board of Directors is of the opinion that it would be in the best interest of the Company to avail of the experience of Mr. W.D.Nelson and that his continuance will be of immense benefit to the Company.

The resolution is accordingly recommended for the approval to the members.

None of the Directors except Mr. W.D.Nelson is concerned or interested in the resolution.

On Behalf of the Board

Place : Chennai
Date : 25.07.2011

Ajit Thomas
Chairman

DIRECTORS' REPORT

Your Directors have pleasure in presenting the SIXTY EIGHTH ANNUAL REPORT, with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

	Rs.
Income from operations & other Income	20,67,29,518
Profit before Depreciation and Taxation	<u>3,73,93,232</u>
Depreciation	51,99,773
Profit before Taxation	<u>3,21,93,459</u>
Provision for Taxation - Current Tax	37,00,000
Profit after Taxation	<u>2,84,93,459</u>
Surplus carried from previous year	44,85,139
Amount available for appropriation	<u>3,29,78,598</u>
Which your Directors recommend to appropriate :	
Transfer to General Reserve	2,00,00,000
Proposed Dividend on Equity Shares at Rs. 15/- per share	94,10,250
Provision for tax on Dividend	15,26,578
Surplus carried to Balance Sheet	20,41,770
	<u>3,29,78,598</u>

DIVIDEND

Your Directors have recommended a dividend of Rs.15/- per share on the Equity shares out of the profits for the year.

OPERATIONS

Tea production during the year was 13.16 lacs kgs with an average yield of 2480 kgs. per hectare against 12.73 lacs kgs with an average yield of 2357 kgs. per hectare during last year. Apart from this there is also a production of 5.46 Lacs kgs of bought leaf as against 6.84 Lacs kgs during the previous year. The sale average during the year was at Rs. 94.24 per kg as against the last year's sale average of Rs. 97.48 /- per kg.

INVESTMENTS

As part of the company's diversification activities, for taking advantage of the emerging global business opportunities, the company has invested an amount of Rs. 90,20,000/- towards advance against equity in the overseas Joint Venture Company viz Midland Natural Pte. Ltd., in the Republic of Singapore for doing trading in Spices.

DIRECTORATE

Mr. C.R. Dorai Raj has ceased to be a member of the Board on account of his sad demise on October 12, 2010. Your Directors wish to place on record their appreciation for the invaluable services rendered by him during his tenure as Director of the company.

Mr.W.D.Nelson was co-opted as additional director of the company on February 03, 2011. He holds office upto the date of the ensuing Annual General Meeting under Section 260 of The Companies Act, 1956. The company has received a notice under Section 257 of The Companies Act, 1956 from a member intending to propose Mr.W.D.Nelson for his Directorship.

In accordance with the Articles of Association of the company, Directors Mr.A.D.Bopana and Mr.S.Rajasekar retire by rotation and are eligible for re-election.

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 reappointment. They have confirmed that their re-appointment, if made will be within the limits prescribed under Section 224 (1B) of the Companies Act,1956.

DEPOSIT

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

PARTICULARS OF EMPLOYEES

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

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 10,31,60,853/-. The total outgo on Foreign Exchange amounted to Rs. 1,14,53,132/-. Details are set out in Schedule 20(B), item 5 (a), (b), (c) & (d) of the Notes on Accounts. 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.

On Behalf of the Board

Place : Chennai
Date : 30.05.2011

Ajit Thomas
Chairman

ANNEXURE - I
To the Directors' Report

FORM A

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

A. POWER & FUEL CONSUMPTION	Current Year 2010 - 2011	Previous Year 2009 - 2010
1. Electricity		
(a) Purchased		
Unit	9,91,696	8,04,600
Total Amount (Rs.)	52,07,773	38,66,394
Rate/Unit (Rs.)	5.25	4.80
(b) Own Generation		
Unit	10,644	49,516
Unit/litre of HSD Oil	1.99	2.39
Cost/Unit (Rs.)	20.35	14.57
2. Coal / Coal Fines / Leco / Leco Fines		
Quantity(Tons)	1,112	1,008.445
Total Cost	60,37,074	52,03,576
Average Rate (Rs.)	5,430	5,160
3. Firewood		
Quantity(Tons)	1,644	1,140
Total Cost	34,36,628	17,10,000
Average Rate (Rs.)	2,090	1,500
B. CONSUMPTION PER UNIT OF PRODUCTION		
Production - Tea	18,61,420	19,56,525
Unit (TNEB + Generator)	10,02,340	8,54,116
Electricity (KWH/kg of tea produced)	0.54	0.44
Leco / Coal / Coal Fines (Kgs/Kg of tea Produced)	1.65	1.70
Firewood (Kgs/Kg of tea Produced)	2.17	1.53

On Behalf of the Board

Chennai
30.05.2011

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 M/s. Neelamalai Agro Industries Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid period:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Coimbatore within the prescribed time under the Act and rules made there under.
3. The Company being Public Limited Company, comments are not required.
4. The Board of Directors met four times during the year under review on 31.05.2010, 30.07.2010, 27.10.2010 and 03.02.2011 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 08.09.2010 to 14.09.2010 and necessary compliance of Section 154 has been made.
6. The Annual General Meeting for the financial year ended 31st March, 2010 was held on 14.09.2010 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 14.09.2010 which is within 5 days from the date of declaration of such dividend, i.e 14.09.2010.
 - 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 21.10.2010.
 - iv. Transferred the amounts in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - v. Duly complied with the requirements of Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted and appointment of additional director has been made.

15. The company has not appointed any Managing Director/ Whole Time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was required to make an application to the Central Government for appointment of cost auditor, which was duly made and the approval obtained. No application was required to be made to the Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under various provisions of the Act, during the financial year under review.
18. The directors have disclosed their interests in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any equity shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any 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 31st March, 2011 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.

V. Suresh

Place : Kochi
Date : 30.05.2011

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

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|---|--|
| <ol style="list-style-type: none">1. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975.2. Register of Charges under Section 143 and copies of instrument creating charge under Section 136.3. Register of Members under Section 150.4. Minutes Book of meetings of the Board/ Shareholders.5. Register of particulars of Contracts in which Directors are interested under Section 301. | <ol style="list-style-type: none">6. Register of Directors, Managing Director, Manager and Secretary under Section 303.7. Register of Directors' Shareholdings under Section 307.8. Register of Investments/ Loans made, guarantee given or security provided under Section 372A.9. Register of Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960. |
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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 01.04.2010 to 31.03.2011.

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|--|---|
| <ol style="list-style-type: none">1. Form 23C in respect of application to Central Government for appointment of Cost Auditor for the year ended 31.03.2011 was filed on 14.05.2010.2. Form 62 in respect of Return of Fixed Deposits for the existing deposits for the year ended 31.03.2010 was filed on 29.06.2010.3. Form 32 in respect of resolution passed by the Board of Directors for resignation of Mr. V.C.Kuruville from Directorship was filed on 26.07.2010.4. Cost Audit Report for the year ended 31.03.2010 was filed on 20.09.2010.5. Compliance Certificate under Section 383A of the Companies Act, 1956 for the year 2009-10 was filed on 07.10.2010.6. Balance Sheet (Form 23AC), Profit & Loss Account (Form 23 ACA), Directors' Report and Auditors' Report under Section 220 of the Companies Act, 1956 for the financial year ended 31.03.2010 was filed on 12.10.2010. | <ol style="list-style-type: none">7. Annual Return (Schedule V) under Section 159 for the Annual General Meeting held on 14.09.2010 was filed on 12.11.2010.8. Form 32 in respect of cessation of Directorship of Mr. C.R.Dorai Raj consequent to death was filed on 13.11.2010.9. Form 32 in respect of resolution passed by the Board of Directors for appointment of Mr. W.D.Nelson as Additional Director was filed on 01.03.2011.10. Form 1 in respect of statement of amount credited to Investor Education & Protection Fund, the Unpaid/ unclaimed dividend amounting to Rs.54,772/- pertaining to the year 2002-03 was filed on 14.12.2010. |
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- V. Suresh**
Practising Company Secretary
C P No. 6032
- Place : Kochi
Date : 30.05.2011

AUDITORS' REPORT

To the members of Neelamalai Agro Industries Limited

We have audited the attached Balance Sheet of NEELAMALAI AGRO INDUSTRIES LIMITED, KATARY, as at 31st March 2011 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 31st March 2011;
 - 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
30.05.2011

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

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) Physical verification of major items of these assets has been conducted by the Management during the financial year and no material discrepancies were noticed on such verification.
- c) No substantial part of fixed assets of the company has been disposed off during the year.
- ii) a) Physical verification of Inventory has been conducted by the Management at reasonable intervals.
- b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventory and no material discrepancies have been noticed on physical verification of inventory as compared to book records.
- iii) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties, covered in the register maintained under Section 301 of the Act and hence the clauses (iii) (a), (b), (c) & (d) of the Order are not applicable.
- b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties, covered in the register maintained under Section 301 of the Act and hence the clauses (iii) (e), (f) & (g) of the Order are not applicable.
- 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
30.05.2011

BALANCE SHEET

As at 31 st March 2011

	Schedules	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
a) Share Capital	1	62,73,500	62,73,500
b) Reserves and Surplus	2	<u>22,59,09,070</u>	20,83,52,439
		23,21,82,570	<u>21,46,25,939</u>
Loan Funds			
a) Secured Loans	3	1,24,80,597	1,53,09,304
b) Unsecured Loans	4	<u>1,01,000</u>	11,11,000
		1,25,81,597	<u>1,64,20,304</u>
TOTAL		<u>24,47,64,167</u>	<u>23,10,46,243</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	9,94,67,474	9,72,99,826
Less: Depreciation		<u>6,60,11,750</u>	6,11,19,837
Net Block		3,34,55,724	<u>3,61,79,989</u>
Investments	6	<u>16,10,33,887</u>	<u>17,90,17,834</u>
Current Assets, Loans and Advances			
a) Inventories	7	1,59,29,928	1,69,33,401
b) Sundry Debtors	8	2,62,18,053	2,00,69,262
c) Cash and Bank Balances	9	2,82,44,391	56,26,831
d) Others: Income Accrued		2,70,801	1,28,973
e) Loan and Advances	10	<u>1,27,80,563</u>	93,71,283
		8,34,43,736	<u>5,21,29,750</u>
Current Liabilities and Provisions			
a) Current Liabilities	11	1,14,71,396	1,66,64,827
b) Provisions	12	<u>2,16,97,784</u>	1,96,16,503
		3,31,69,180	<u>3,62,81,330</u>
Net Current Assets		<u>5,02,74,556</u>	1,58,48,420
TOTAL		<u>24,47,64,167</u>	<u>23,10,46,243</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

S. Ganesan

Partner

Membership No. 18525

For and on behalf of the Board

Ajit Thomas
Chairman

S. Rajasekar
Director

Place : Chennai
Date : 30.05.2011

PROFIT AND LOSS ACCOUNT
For the Year Ended 31st March 2011

	Schedules	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
INCOME			
Income from Operations	13	18,46,71,137	18,84,45,260
Other Receipts	14	2,20,58,381	1,95,52,344
		20,67,29,518	20,79,97,604
EXPENDITURE			
Increase (-) / Decrease (+) in Stock	15	(+) 17,75,000	(-) 80,17,000
Consumption of Raw Materials		3,15,80,657	4,52,22,398
Purchases	16	9,23,917	9,60,739
Employees Cost	17	6,80,52,204	6,45,23,726
Other Expenditure	18	6,55,74,163	6,41,42,945
Interest	19	14,30,345	13,66,236
Depreciation		51,99,773	43,82,159
		17,45,36,059	17,25,81,203
PROFIT FOR THE YEAR			
		3,21,93,459	3,54,16,401
Provision for - Current Tax		37,00,000	46,00,000
		2,84,93,459	3,08,16,401
Surplus Brought forward		44,85,139	59,84,188
		3,29,78,598	3,68,00,589
Transfer to General Reserve		2,00,00,000	2,50,00,000
Proposed Dividend on Equity Shares @ Rs. 15/- per share		94,10,250	62,73,500
Provision for Tax on Dividend		15,26,578	10,41,950
Surplus carried forward		20,41,770	44,85,139
		3,29,78,598	3,68,00,589
Earnings per Share (Basic and Diluted)		45.42	49.12
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 : 30.05.2011

SCHEDULES
To the Balance Sheet

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE : 1		
SHARE CAPITAL		
<i>Authorised</i>		
9,00,000 - Equity Shares of Rs.10/- each	90,00,000	90,00,000
3,50,000 - 5% Preference Shares of Rs.10/- each	35,00,000	35,00,000
	<u>1,25,00,000</u>	<u>1,25,00,000</u>
<i>Issued, Subscribed and paid up</i>		
6,27,350 - Equity Shares of Rs.10/- each fully paid up	<u>62,73,500</u>	<u>62,73,500</u>
<i>Note :</i> Of the above 3,12,969 Equity shares of Rs. 10/- each are allotted as fully paid-up by way of Bonus Shares by Capitalisation of General Reserve.		
SCHEDULE : 2		
RESERVES AND SURPLUS		
<i>Capital Redemption Reserve</i>		
As per last Balance Sheet	27,26,500	27,26,500
<i>General Reserve</i>		
As per last Balance Sheet	20,11,40,800	
Add: Transfer from Profit and Loss Account	<u>2,00,00,000</u>	20,11,40,800
<i>Surplus</i>		
Balance in Profit and Loss Account	<u>20,41,770</u>	44,85,139
	<u>22,59,09,070</u>	<u>20,83,52,439</u>

SCHEDULES
To the Balance Sheet

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE : 3		
SECURED LOANS		
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	92,30,837	1,16,87,656
(b) Term Loan	32,49,760	36,21,648
	<u>1,24,80,597</u>	<u>1,53,09,304</u>
SCHEDULE : 4		
UNSECURED LOANS		
Public Deposits (* Repayable within one year)	<u>* 1,01,000</u>	<u>11,11,000</u>

SCHEDULES
To the Balance Sheet

SCHEDULE 5
FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2010 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2011 Rs.	Up to 31.03.2010 Rs.	For the year Rs.	Withdrawn Rs.	Upto 31.3.2011 Rs.	As at 31.3.2011 Rs.	As at 31.3.2010 Rs.
Land and Development	52,54,316	Nil	Nil	52,54,316	Nil	Nil	Nil	Nil	52,54,316	52,54,316
Buildings	2,75,74,977	6,20,750	Nil	2,81,95,727	1,41,89,217	7,71,891	Nil	1,49,61,108	1,32,34,619	1,33,85,761
Plant and Machinery	4,56,14,996	4,12,537	Nil	4,60,27,533	3,75,60,720	17,79,431	Nil	3,93,40,151	66,87,382	80,54,276
Furniture and Fittings	38,69,669	2,20,775	Nil	40,90,444	34,93,053	1,18,193	Nil	36,11,246	4,79,198	3,76,616
Vehicles	1,49,85,868	16,61,642	7,48,056	1,58,99,454	58,76,847	25,30,258	3,07,860	80,99,245	78,00,209	91,09,021
	9,72,99,826	29,15,704	7,48,056	9,94,67,474	6,11,19,837	51,99,773	3,07,860	6,60,11,750	3,34,55,724	3,61,79,990
Previous year	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

SCHEDULE : 6
INVESTMENTS

SCHEDULES
To the Balance Sheet

Description	As at 01.04.2010		Additions		Deductions		As at 31.03.2011	
	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.	No. of Shares/Units	Amount Rs.
LONG TERM								
1. SHARES IN COMPANIES								
A. EQUITY SHARES								
(i) QUOTED:								
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	65		1	66	193	6,172
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 **				2,432	5,16,800
Great Eastern Shipping Co. Ltd.			1,800	4,95,347			1,800	4,95,347
Hindustan Petroleum Corporation Ltd.			400	1,37,720			400	1,37,720
IL & FS Investment Managers Ltd.			6,000	2,09,512			6,000	2,09,512
IL & FS Transportation Networks Ltd.			1,000	2,25,883			1,000	2,25,883
Nava Bharat Ventures Ltd.			200	52,725			200	52,725
NHPC Ltd.			2,000	49,367			2,000	49,367
Noida Toll Bridge Co. Ltd.			10,000	2,75,084			10,000	2,75,084
K S Oils Ltd.			3,000	99,784			3,000	99,784
Escorts Ltd.			1,000	1,11,506			1,000	1,11,506
JK Lakshmi Cement Ltd.			2,500	1,07,564			2,500	1,07,564
		<u>3,29,00,760</u>		<u>17,64,492</u>		<u>5,356</u>		<u>3,46,59,896</u>
Less : Diminution		11,457						6,167
	(i)	<u>3,28,89,303</u>						<u>3,46,53,729</u>
(ii) UNQUOTED:								
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)	7,50,000	75,00,000			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
Pulsar Electronics Ltd. (In liquidation)	11,800	Nil					11,800	Nil
Tea Serve Ltd. (Face value Rs. 5,000/- per share)	1	5,000					1	5,000
		<u>4,15,05,000</u>				<u>75,00,000</u>		<u>3,40,05,000</u>
B. REDEEMABLE PREFERENCE SHARES (UNQUOTED)								
AVT Infotech Private Ltd. (ii) (8% Cumulative Redeemable Preference Shares)	10,00,000	1,00,00,000					10,00,000	1,00,00,000
C. SUBSCRIBED PENDING ALLOTTMENT								
AVT Gavia Foods Private Ltd.		25,00,000				25,00,000		
Miland Natural Pte. Ltd.				90,20,000				90,20,000
		<u>25,00,000</u>		<u>90,20,000</u>		<u>25,00,000</u>		<u>90,20,000</u>
Carried Forward		8,68,94,303		1,07,84,492		1,00,05,356		8,76,78,729

SCHEDULES
To the Balance Sheet

SCHEDULE : 6 (contd.)

INVESTMENTS (Contd.)

Description	As at 01.04.2010		Additions		Deductions		As at 31.03.2011	
	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		8,68,94,303		1,07,84,492		1,00,05,356		8,76,78,729
3. MUTUAL FUNDS								
Sundaram BNP Paribas Energy Opportunities Fund	2,50,000	25,00,000					2,50,000	25,00,000
Less : Diminution in value		4,17,525						4,17,525
		<u>20,82,475</u>						<u>20,82,475</u>
4. IN IMMOVABLE PROPERTIES								
Land		<u>2,35,44,890</u>						<u>2,35,44,890</u>
CURRENT								
1. SHARES IN COMPANIES								
Aban Lylod Chiles Offshore Limited	1,000	20,44,811	2,000	12,38,431			3,000	32,83,242
Less : Diminution in value		<u>16,45,161</u>						<u>16,45,161</u>
		<u>3,99,650</u>		<u>12,38,431</u>				<u>16,38,081</u>
2. MUTUAL FUNDS								
Franklin Templeton Mutual Fund								
- Treasury Management Account Regular plan								
- Daily Dividend Reinvestment	417	6,31,447	20	29,631			437	6,61,078
HDFC Cash Management Fund								
- Treasury Advance Plan - Daily Dividend	65,25,950	6,54,65,069	38,63,503	3,87,56,731	89,81,708	9,01,00,000	14,07,746	1,41,21,800
ICICI Prudential Blended Plan B								
- Institutional Dividend Option - II			60,30,506	6,14,46,436	30,11,222	3,01,39,602	30,19,285	3,13,06,834
	(i)	<u>6,60,96,516</u>		<u>10,02,32,798</u>		<u>12,02,39,602</u>		<u>4,60,89,712</u>
		17,90,17,834		11,22,55,721		13,02,44,958		16,10,33,887

Notes

** Additions during the year represents Bonus Shares

(i) Market value of Quoted Investments:-

Shares in Companies

Long Term : Rs. 42,82,06,983/-

Current : Rs. 18,48,450/-

Net Asset value of Mutual Funds

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

Current : Rs. 4,62,10,008/-

(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 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE : 7		
INVENTORIES		
Stores and Spares	39,24,928	31,53,401
Stock in Trade	1,20,05,000	1,37,80,000
	<u>1,59,29,928</u>	<u>1,69,33,401</u>
SCHEDULE : 8		
SUNDRY DEBTORS		
Considered Good-Unsecured		
(a) Debts outstanding for a period exceeding six months	Nil	Nil
(b) Other Debts	2,62,18,053	2,00,69,262
	<u>2,62,18,053</u>	<u>2,00,69,262</u>
SCHEDULE : 9		
CASH AND BANK BALANCES		
Cash and stamps on hand	1,79,261	61,497
Bank Balances With Scheduled Banks		
In Current Account	48,90,091	29,05,433
In Dividend/Capital Refund Account	28,75,039	23,59,901
In Deposit Account	2,03,00,000	3,00,000
	<u>2,82,44,391</u>	<u>56,26,831</u>
SCHEDULE : 10		
LOANS AND ADVANCES		
Considered good - Unsecured		
Advances recoverable in cash or in kind or for value to be received	20,87,809	14,84,844
Prepaid taxes and refunds due	37,20,734	52,61,049
<i>Deposits</i>		
(a) With NABARD under Tea Development Scheme	63,05,650	20,05,650
(b) Other Deposits	6,66,370	6,19,740
	<u>1,27,80,563</u>	<u>93,71,283</u>

SCHEDULES
To the Balance Sheet

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE : 11		
CURRENT LIABILITIES		
Sundry Creditors:	85,88,889	1,41,70,015
Dues to Micro & Small Enterprises	Nil	Nil
Investor Education & Protection Fund		
- Unpaid Dividend	26,48,929	21,33,791
Unpaid Preference Capital Refund	2,26,110	2,26,110
Interest accrued but not due on loans	7,468	1,34,911
	<u>1,14,71,396</u>	<u>1,66,64,827</u>

SCHEDULE : 12

PROVISIONS

For Taxation	78,98,100	88,95,240
For Provision for Gratuity	24,28,664	26,84,057
For Leave Encashment	4,34,192	7,21,756
For Proposed Dividend on Equity Shares	94,10,250	62,73,500
For Tax on Dividend	15,26,578	10,41,950
	<u>2,16,97,784</u>	<u>1,96,16,503</u>

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

	Qty	Year ended	Qty	Year ended
	Kgs.	31.03.2011	Kgs.	31.03.2010
		Rs.		Rs.
SCHEDULE : 13				
INCOME FROM OPERATIONS				
Sales - Tea	18,87,467	17,78,73,907	18,85,484	18,37,94,190
Exchange Fluctuations		19,75,705		2,84,117
Sale of Import Entitlements		48,21,525		43,66,953
		<u>18,46,71,137</u>		<u>18,84,45,260</u>
SCHEDULE : 14				
OTHER RECEIPTS				
Income from Investments				
- Long Term		1,46,24,216		1,47,50,389
- Current		39,09,091		27,37,787
Interest Received		3,48,177		1,93,220
(Tax deducted at Source Rs.38,534/-)				
Profit / (Loss) on Sale of Investments				
- Long Term		39,600		Nil
Profit on Sale of Assets		30,804		31,046
Miscellaneous Receipts		31,06,493		18,39,902
		<u>2,20,58,381</u>		<u>1,95,52,344</u>
SCHEDULE : 15				
INCREASE(-)/DECREASE(+) IN STOCK				
Tea				
Opening Stock	1,64,775	1,37,80,000	86,821	57,63,000
Closing Stock	1,45,136	1,20,05,000	1,64,775	1,37,80,000
		(+) <u>17,75,000</u>		(-) <u>80,17,000</u>
SCHEDULE : 16				
PURCHASES				
Tea	6,408	9,23,917	6,913	9,60,739
SCHEDULE : 17				
EMPLOYEES COST				
Salaries, Wages and Bonus		6,13,75,221		5,58,15,845
Contribution to Provident and Other Funds		46,97,038		63,12,914
Provision for Gratuity and Leave Encashment		(5,42,957)		6,58,835
Welfare Expenses		25,22,902		17,36,132
		<u>6,80,52,204</u>		<u>6,45,23,726</u>

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

	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
SCHEDULE : 18		
OTHER EXPENDITURE		
Consumption of Stores and Spares	1,47,61,462	1,34,28,350
Power and Fuel	1,49,15,329	1,21,51,039
Rent and Amenities	4,40,000	Nil
Rates and Taxes	9,22,403	12,48,128
Transport and Warehousing	46,57,632	45,52,427
Brokerage and Commission	42,93,724	38,30,962
Repairs to and Maintenance of :-		
Roads and Buildings	97,35,305	1,42,86,864
Machinery	22,35,516	14,05,415
Vehicles	31,42,858	33,56,239
Others	2,35,116	1,14,944
Printing and Stationary	3,21,149	3,05,487
Postage and Telephones	5,28,438	4,90,296
Legal Expenses	51,600	19,000
Directors' Sitting Fees	1,15,000	54,000
Auditors' Remuneration:-		
For Audit	3,50,000	3,50,000
For Certification / Tax Audit	1,35,000	1,35,000
For Tax Representation	2,05,000	1,80,000
For Travelling and other Expenses	90,500	89,500
For Service Tax	78,847	77,714
Insurance	10,07,093	9,36,296
Advertisement and Sales Promotion	1,34,423	5,52,115
Bank Charges	5,49,251	5,61,106
Travelling Expenses	26,20,876	21,83,076
Provision for Diminution in Value of Investments	Nil	4,28,982
Loss on sale of Investments	15,894	Nil
Miscellaneous Expenses	40,31,747	34,06,005
	6,55,74,163	6,41,42,945
SCHEDULE : 19		
INTEREST		
Fixed Loans	4,88,567	4,76,149
Others	9,41,778	8,90,087
	14,30,345	13,66,236

S C H E D U L E S
Notes on Accounts for the year ended 31st March 2011

SCHEDULE : 20

A. SIGNIFICANT ACCOUNTING POLICIES

I. ACCOUNTING CONVENTION

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

II. FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at historical cost less depreciation. Cost includes, taxes and duties (but does not include taxes and duties for which CENVAT / VAT credit is available), freight and other direct or allocated expenses during construction period, net of any income earned. Assets acquired on hire purchase and capitalised at principal value.

Depreciation is provided at the rates specified in Schedule XIV to the Companies Act, 1956 on written down value method. Assets costing individually less than Rs. 5,000/- are depreciated at 100%. On additions to and deductions from Fixed Assets, depreciation is provided on pro-rata basis.

III. IMPAIRMENT OF ASSETS

The Company reviews the carrying amounts of its assets for any possible impairment at each balance sheet date. An impairment loss is 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. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition/construction of the qualifying asset are capitalised as a part of the cost of such asset, upto the date of acquisition/completion of construction.

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

V. INVESTMENTS

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

VI. INVENTORIES

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

VII. REVENUE RECOGNITION

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

VIII. EMPLOYEE BENEFITS

Gratuity liability, which is a defined benefit scheme and provision for leave encashment is accrued and provided for on the basis of independent actuarial valuation made at the end of each financial year. Actuarial gains and losses are recognised in the Profit and Loss Account and are not deferred.

Retirement benefits in the form of Provident Fund, Family Pension Fund and Superannuation Schemes, which are defined contribution schemes, are charged to the Profit and Loss Account of the year when the contribution to the respective funds accrue.

S C H E D U L E S
Notes on Accounts for the year ended 31st March 2011

SCHEDULE : 20 (contd.)

A. SIGNIFICANT ACCOUNTING POLICIES

IX. FOREIGN CURRENCY TRANSACTIONS

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

X. GOVERNMENT GRANTS

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

Subsidies related to revenue are recognised in the profit and loss statement to match them with the related costs which they are intended to compensate.

XI. TAXES ON INCOME

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

XII. 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".

XIII. EXPENDITURE ON REPLANTING

Direct Expenditure on replating 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.

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 : 2011
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	2,44,765	Total assets	2,44,765	
SOURCES OF FUNDS				
Paid-up capital	6,274	Reserves and surplus	2,25,909	
Secured loans	12,481	Unsecured loans	101	
APPLICATION OF FUNDS				
Net fixed assets	33,456	Investments	1,61,034	
Net current assets	50,275	Miscellaneous		
Accumulated losses	Nil	Expenditure	Nil	
IV) Performance of company (Amount in Rs. Thousands)				
Turnover	2,06,730	Total Expenditure	1,74,536	
Profit(+)/Loss(-) Before Tax	32,194	Profit(+)/Loss(-) After Tax	28,493	
Earnings per Share (Rs.)	45.42	Dividend Rate:	150%	
V) Generic Names of Three Principal Products/services of Company (as per monetary terms)				
Item Code No. (ITC Code)			Product Description	
0902			Tea	

SCHEDULES
Notes on Accounts - contd.

		Year ended 31.03.2011	Year ended 31.03.2010
SCHEDULE : 20 (contd.)			
B. OTHERS (Contd.)			
2 CAPACITY AND PRODUCTION (IN KGS)			
Description of Produce	Licensed Capacity	Installed Capacity	Actual Production Kgs
Tea	Not Applicable	23,00,000	Own leaf Bought leaf
			12,72,850 6,83,675
3 PARTICULARS OF GREEN LEAF (IN KGS)			
Opening and Closing Stock			Nil Nil
Produced and Processed			53,81,400 50,31,475
Purchased and Processed			21,82,825 27,30,480
4 PARTICULARS OF CONSUMPTION			
		Value in Rs.	Value in Rs.
(a) Raw Materials - Bought Leaf		%	%
Indigenous		3,15,80,657 100%	4,52,22,398 100%
(b) Stores and Spares:			
Indigenous		1,35,95,004 92.10%	1,22,77,938 91.43%
Imported		11,66,458 7.90%	11,50,412 8.57%
		1,47,61,462 100.00%	1,34,28,350 100.00%
5 EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY			
a) Earnings :			
FOB Value of Exports		10,31,60,853	10,25,09,339
b) CIF Value of Imports :			
Capital Goods		Nil	Nil
Stores and Spares		15,33,015	9,46,319
c) Expenditure :			
Testing Fee		6,55,252	5,12,297
Travelling Expenses		2,11,790	5,07,672
Registration Fee		9,164	14,422
Consultancy Fee		23,911	Nil
d) Investment in Equity		90,20,000	Nil

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

	Year ended 31.03.2011	Year ended 31.03.2010
SCHEDULE : 20 (contd.)		
B. OTHERS (Contd.)		
6 REMUNERATION PAID TO MANAGING DIRECTOR		
Mr. Ajit Thomas		
(a) Salary	Nil	8,50,000
(b) Contribution to Provident and Other funds	Nil	1,37,417
	Nil	9,87,417
Notes		
i) Remuneration to Managing Director was paid in accordance with Section II of Part II of Schedule XIII to the Companies Act, 1956.		
7. SUNDRY DEBTORS INCLUDE		
Debts due by Private Limited Company in which there are common Directors		
Teleflex Medical (P) Ltd	Nil	43,027
A.V.T. Infotech (P) Ltd (Since Received)	1,409	1,400
A.V. Thomas Leather & Allied Products Pvt. Ltd. (Since Received)	76,131	Nil
8 DUE TO MICRO AND SMALL ENTERPRISES		
Based on the information available with the Company, the principal amount due to Micro and Small Enterprises as on 31.03.2011 is Nil. There are no overdue principal amounts and therefore no interest is paid or payable.		
9 EARNING PER SHARE		
Profit after Taxation	2,84,93,459	3,08,16,401
Number of Equity Shares outstanding at the end of the year	6,27,350	6,27,350
Earnings per share (Basic and Diluted)	45.42	49.12
10. CONTINGENT LIABILITY		
Claims against the company not acknowledged as debts	Nil	5,28,000

S C H E D U L E S

Notes on Account - contd.

**Year ended
31.03.2011**

Year ended
31.03.2010

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	7,47,13,054 (8,12,84,851)	10,31,60,853 (10,25,09,339)	17,78,73,907 (18,37,94,190)
Sundry Debtors	50,26,983 (36,91,467)	2,11,91,070 (1,63,77,795)	2,62,18,053 (2,00,69,262)

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.

SCHEDULES

Notes on Accounts - Contd.

	Year ended 31.03.2011 Rs.		Year ended 31.03.2010 Rs.	
SCHEDULE : 20 (Contd.)				
B: OTHERS (Contd.)				
13. EMPLOYEE BENEFITS (Contd.)				
b) Reconciliation of changes in the Present Value of Obligation :				
	As on 31.03.2011		As on 31.03.2010	
	Gratuity	Leave	Gratuity	Leave
	(Funded Plan)	Encashment (Non Funded Plan)	(Funded Plan)	Encashment (Non Funded Plan)
Present Value of the Obligation as on 01.04.2010	2,33,97,416	7,21,756	2,02,45,132	3,91,884
Current Service Cost	17,26,285	37,590	16,48,105	97,545
Interest Cost	17,65,282	54,289	15,55,563	31,351
Benefits Paid	(26,62,774)	(86,284)	(16,01,185)	Nil
Actuarial loss / (gain)	(14,06,763)	(2,93,159)	15,49,801	2,00,976
Present Value of the Obligation as on 31.03.2011	2,28,19,446	4,34,192	2,33,97,416	7,21,756
c) Reconciliation of changes in the fair value of Plan Assets				
Fair Value of Plan Assets as on 01.04.2010	2,07,13,359	Nil	1,79,56,538	Nil
Expected return on plan assets	18,17,600	Nil	17,20,700	Nil
Contribution by the Company	5,35,417	Nil	28,92,414	Nil
Benefits Paid	(26,62,774)	Nil	(16,01,185)	Nil
Actuarial gain / (Loss)	(12,820)	Nil	(2,55,108)	Nil
Fair Value of Plan Assets as on 31.03.2011	2,03,90,782	Nil	2,07,13,359	Nil
d) The total expense recognised in the profit and loss account is as follows				
Current Service Cost	17,26,285	37,590	16,48,105	97,545
Interest Cost	17,65,282	54,289	15,55,563	31,351
Expected return on plan assets	(18,17,600)	NA	(17,20,700)	NA
Net Actuarial (gain) / loss recognised in the year	(13,93,943)	(2,93,159)	18,04,909	2,00,976
	2,80,024	(2,01,280)	32,87,877	3,29,872
e) Reconciliation of Net Liability recognised in the Balance Sheet				
Net Liability as at the beginning of the year	26,84,057	7,21,756	22,88,594	3,91,884
Add : Expense as (d) above	2,80,024	(2,01,280)	32,87,877	3,29,872
Less : Employer's Contribution / Payment	5,35,417	86,284	28,92,414	Nil
Net Liability as at the end of the year	24,28,664	4,34,192	26,84,057	7,21,756

S C H E D U L E S

Notes on Accounts - Contd.

	Year ended 31.03.2011 Rs.		Year ended 31.03.2010 Rs.	
SCHEDULE : 20 (Contd.)				
B: OTHERS (Contd.)				
13. EMPLOYEE BENEFITS (Contd.)	As on 31.03.2011		As on 31.03.2010	
	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	<u>2,03,90,782</u>	N.A.	<u>2,07,13,359</u>	N.A.
g) Principal actuarial assumptions used as at the Balance Sheet Date				
Discount Rate	8.30 %	8.30 %	8 %	8 %
Salary Escalation Rate	5 %	5 %	5 %	5 %
Attrition Rate	5 %	5 %	5 %	5 %
Expected rate of return on plan assets	9.25 %	N.A.	9.25 %	N.A.

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

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

	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Gratuity funded plan				
Defined Benefit Obligation	2,28,19,446	2,33,97,416	2,02,45,132	1,65,85,914
Plan Assets	2,03,90,782	2,07,13,359	1,79,56,538	1,42,30,460
Surplus / (Deficit)	(24,28,664)	(26,84,057)	(22,88,594)	(23,55,454)
Experience adjustment - Plan Liability	(14,06,763)	15,49,801	29,26,053	18,74,351
Experience adjustment - Plan Assets	(12,820)	(2,55,108)	(2,78,865)	(49,621)

The Company expects to fund Rs. 32/- lakhs towards its Gratuity Plan during the year 2011 - 2012

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. 40,60,462/- 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"> - A. V. Thomas & Company Ltd. - A. V. Thomas International Ltd. - L. J. International Ltd. - A. V. Thomas Investments Company Ltd. - The Midland Rubber & Produce Co. Ltd. - The Nelliampathy Tea & Produce Co. Ltd. - A V T Natural Products Ltd. - Ajit Thomas Holdings Private Limited - A. V. Thomas Exports Ltd. - AVT McCormick Ingredients Private Ltd. - Teleflex Medical Private Ltd. - A. V. Thomas Leather and Allied Products Pvt. Ltd. | <ul style="list-style-type: none"> - Midland Latex Products Ltd. - Sermatech Private Ltd. - Midland Corporate Advisory Services Pvt. Ltd. (Formerly ST Holding Private Ltd.) - AVT Natural Pte Ltd. - Heilongjiang AVT Bio-Products Ltd. (Formerly Tonghe AVT Natural Ltd.) - AVT Gavia Foods Private Ltd. - J. Thomas Educational & Benevolent Trust - Midland Natural Pte. Ltd. - Midland Charitable Trust - AVT Infotech Private Ltd. |
|--|--|

Key Management Personnel :

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

Details of Transaction	Year ended 31.3.2011		Year ended 31.3.2010	
	Associates	Key Management Personnel (including relatives)	Associates	Key Management Personnel (including relatives)
INCOME				
Sales	22,63,829		70,69,100	
Dividend Received	1,45,71,300		1,47,31,810	
EXPENDITURE				
Purchases & C&F Charges	11,25,934		5,80,493	
Sitting Fees		55,000		6,000
Dividend paid		41,32,030		41,32,030
Professional Fees	6,61,800		3,50,000	
Remuneration paid to Managing Director (Refer Note : 6)		Nil		9,87,417
Donations Paid	11,00,000		10,00,000	
OTHERS				
Purchase of Fixed Assets		Nil		1,18,00,000
Investments made	90,20,000		25,00,000	
Sale of investments	1,00,00,000		Nil	
Sale of Fixed Assets	4,73,379			
BALANCE AS ON 31.3.2011				
Debit Balances	2,26,504		5,54,717	
Credit Balances	49,183		41,130	

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

Membership No. 18525

For and on behalf of the Board

Place : Chennai

Date : 30.05.2011

Ajit Thomas

Chairman

S. Rajasekar

Director

CASH FLOW STATEMENT

For the year ended 31st March 2011

	Year ended 31.03.2011 Rs	Year ended 31.03.2010 Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	3,21,93,459	3,54,16,401
Adjustments for:		
Depreciation	51,99,773	43,82,159
Profit / Loss on sale of Investments	(23,706)	Nil
Profit/Loss on sale of Assets	(30,804)	(31,046)
Interest/Dividend Received	(1,88,81,484)	(1,76,81,396)
Interest Paid	14,30,345	13,66,236
Provision for Gratuity and Leave encashment	(5,42,957)	6,58,835
Provision for Diminution in Value of Investments	Nil	4,28,982
	(1,28,48,833)	
Operating Profit before working capital changes	1,93,44,626	2,45,40,171
Adjustments for:		
Trade and other Receivables	(61,48,791)	(1,20,95,283)
Inventories	10,03,473	(91,51,649)
Trade Payables	(50,65,988)	60,27,090
Other Current Assets	(49,49,595)	16,44,939
	(1,51,60,901)	
Cash generated from operations	41,83,725	1,09,65,268
Direct Taxes Paid	(31,56,825)	(33,67,793)
Net Cash From Operating Activities	10,26,900	75,97,475
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(29,15,704)	(99,26,812)
Sale of Fixed Assets	4,71,000	35,555
Purchase of Investments	(11,22,55,721)	(4,91,37,787)
Subsidy received from Tea Board	Nil	11,11,303
Sale of Investments	13,02,63,374	3,43,00,000
Interest Received	2,06,349	1,26,424
Dividend Received	1,85,33,307	1,74,88,176
Net Cash from / (used in) Investing Activities	3,43,02,605	(60,03,141)

CASH FLOW STATEMENT

For the year ended 31st March 2010 - Contd.

	Year ended 31.03.2011 Rs	Year ended 31.03.2010 Rs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Public Deposits	(10,10,000)	(3,47,000)
Proceeds from long term borrowings	(3,71,888)	30,27,773
Cash Credit	(24,56,819)	69,51,775
Interest Paid	(15,57,788)	(13,32,000)
Dividend Paid including Dividend Tax	(73,15,450)	(73,39,681)
Net Cash used in Financing Activities	(1,27,11,945)	9,60,867
	2,26,17,560	25,55,201
Net Increase/(Decrease) in cash and cash equivalents		
Cash and cash equivalents as at 01.04.2010 (Opening Balance)	56,26,831	30,71,630
Cash and cash equivalents as at 31.03.2011 (Closing Balance)	2,82,44,391	56,26,831
	2,26,17,560	25,55,201

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 : 30.05.2011

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.	%
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
2009/2010	3,54,16,401	43,82,159	46,00,000	2,50,00,000	62,73,500	100
2010/2011	3,21,93,459	51,99,773	37,00,000	2,00,00,000	94,10,250	150*

* Recommended

AREA PARTICULARS

Area as on 01-04-2011

	KATARY Hectares	SUTTON Hectares	TOTAL Hectares
TEA:			
In bearing	233.96	292.86	526.82
Immature	21.41	21.19	42.60
Buildings, Roads, etc.	26.39	39.75	66.14
TOTAL	281.76	353.80	635.56

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 Eighth Annual General Meeting of the Company to be held on Wednesday, 24th August, 2011 and at any adjournment thereof.

Signed this..... day of 2011

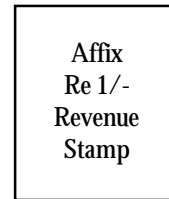
Signature

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.

NEELAMALAI AGRO INDUSTRIES LTD.

ATTENDANCE SLIP

I hereby record my presence at the SIXTY EIGHTH ANNUAL GENERAL MEETING of the Company at 11.30 a.m. at Katary Estate, Katary Post - 643 213, Coonoor, The Nilgiris on Wednesday, 24th August, 2011.

.....
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.