

NEELAMALAI AGRO INDUSTRIES LIMITED

**73rd Annual Report
2015 - 2016**

SEVENTY THIRD ANNUAL GENERAL MEETING

Day : Monday

Date : 8th August, 2016

Time : 10.00 a.m.

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

NEELAMALAI AGRO INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Ajit Thomas, *Chairman*
Mrs. Shanthi Thomas, *Executive Director*
Mr. A.D. Bopana
Mr. S. Rajasekar (*expired on 24.03.2016*)
Mr. G. Vijayaraghavan (*upto 22.07.2015*)
Mr. Raghu Bhale Rao (*w.e.f. 20.10.2015*)
Mr. F. S. Mohan Eddy (*w.e.f. 28.01.2016*)
Mr. W. D. Nelson (*w.e.f. 15.04.2016*)

AUDIT COMMITTEE

Mr. A.D.Bopana, *Chairman*
Mr. S. Rajasekar (*expired on 24.03.2016*)
Mr. G. Vijayaraghavan (*upto 22.07.2015*)
Mr. Raghu Bhale Rao (*w.e.f. 20.10.2015*)
Mr. F. S. Mohan Eddy (*w.e.f. 14.03.2016*)

KEY MANAGERIAL PERSONNEL

Mrs. Shanthi Thomas, *Executive Director*
Mr. T.M. Harikumar
Company Secretary & Chief Financial Officer

AUDITORS

M/s. Suri & Co.
Chartered Accountants
No. 4, Chevaliar Shivaji Ganesan Salai
T. Nagar, Chennai - 600 017

BANKERS

Corporation Bank

ESTATES

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

Sutton Estate
Kullakamby Post
The Nilgiris - 643218

REGISTERED OFFICE

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

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the SEVENTY THIRD ANNUAL GENERAL MEETING of the Company will be held at the Registered Office at Katary Estate, Katary Post – 643 213 at 10 A.M on Monday, the 8th day of August, 2016 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the year ended 31st March, 2016 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ajit Thomas (DIN: 00018691), who retires by rotation and is eligible for re-appointment.
3. To ratify the appointment of M/s. Suri & Co, Chartered Accountants, Chennai, as Auditors of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:-

RESOLVED THAT pursuant to the provisions of Sections 139 & 142 of the Companies Act, 2013 and the Rules made thereunder as amended from time to time, the company hereby ratifies the appointment of M/s. Suri & Co., Chartered Accountants, Chennai (Firm's Regn. No. 004283S), as the Auditors of the Company, to hold office till the conclusion of the next Annual General Meeting to be held in the calendar year 2017 on a remuneration of Rs. 7,00,000/- (Rupees Seven lakhs only) plus applicable Service Tax, besides travelling and other out of pocket expenses as recommended by the Audit Committee and approved by the Board of Directors.

SPECIAL BUSINESS

4. Appointment of Mr. Raghu Bhale Rao as Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Raghu Bhale Rao (DIN: 00255296), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. Raghu Bhale

Rao as a Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of October 19, 2020.

5. Appointment of Mr. E.S.Mohan Eddy as Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. E.S.Mohan Eddy (DIN: 01633183), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. E.S.Mohan Eddy as a Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of January 27, 2021.

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 in accordance with the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. W.D.Nelson (DIN : 00255511) who was appointed as an Additional Director of the Company by the Board of Directors vide Circular Resolution dated April 15, 2016 and holds office until the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 (1) of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. W.D.Nelson as a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

On Behalf of the Board

Ajit Thomas

Chairman

Chennai
30.05.2016

DIN : 00018691

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from August 02, 2016 to August 08, 2016 (both days inclusive).
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. Members are requested to notify immediately any change in their address to the company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai- 600 002 in the case of physical holdings and to their respective Depository Participants in case of dematted shares.
7. Members are requested to lodge their e-mail ID's along with their Name and Folio No. to Company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002, Email :- investor@cameoindia.com to enable the Company to send all future communications including Annual Reports through electronic mode.
8. Securities and Exchange Board of India (SEBI) has, vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013, made mandatory the usage of any Reserve Bank of India approved electronic mode of payment such as National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT) and Real Time Gross Settlement (RTGS) etc. for making cash payments to investors of companies whose shares are listed on Stock Exchanges. Members who have not opted for NECS facility earlier are requested to fill up the enclosed mandate form and forward the same to M/s. Cameo Corporate Services Limited immediately to avail the NECS facility; members who have already opted the NECS facility may intimate M/s. Cameo Corporate Services Limited, of any change in the bank account details already furnished.
9. 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.
10. Shareholders of the Company may avail the nomination facility by executing the prescribed nomination form, which can be obtained from the Registered Office of the Company or from the company's Share Transfer Agent.
11. The equity shares of the company would continue to be listed on BSE Ltd., Corporate Relationship Dept., 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001. The Annual listing fee, as prescribed, has been paid to the BSE Ltd.
12. The Unpaid Dividend amounting to Rs.5,38,610/- for the year 2007-2008 had been transferred to the Investor Education & Protection Fund constituted by the Central Government. Dividend declared for the year 2008-2009 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.
13. 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

14. Members may also note that the Notice of the 73rd Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website: www.neelamalaiagro.com for downloading. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's share transfer agent email ID: investor@cameoindia.com.

15. Voting facilities

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 73rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

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

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

16. Instructions for members for voting electronically:
- (i) The voting period begins on August 05, 2016 (9 a.m.) ends on August 07, 2016 (5.00 p.m). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) August 01, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For members holding shares in Demat Form and Physical form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

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

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name-> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The M-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

General instructions

- i) Mr. V. Suresh, Practising Company Secretary (C.P.No. 6032) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- ii) The Scrutinizer after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast

through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 3 days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The resolutions will be deemed have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.

- iii) The Voting results will be submitted to BSE Limited (BSE) within 48 hours of conclusion of the AGM in the format specified by SEBI.
- iv) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.neelamalaiagro.com and on the website of CDSL immediately after the declaration of the result.

- v) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on August 01, 2016. A person who is not a Member as on the cut off-date should treat this Notice for information purposes only.

On Behalf of the Board

Ajit Thomas

Chairman

DIN : 00018691

Chennai
30.05.2016

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

Name : Mr. Ajit Thomas
 Age : 62 years
 Qualifications : B.Sc (Statistics)
 Expertise : Mr. Ajit Thomas has rich experience in Industry, Administrative matters, Finance and Business Management with AVT Group companies for about three and half decades.

Other Directorships

Name of the Company	Position held
A.V.Thomas & Company Limited	Executive Chairman
The Midland Rubber & Produce Company Limited	Chairman
The Nelliampathy Tea & Produce Company Limited	Chairman
AVT Natural Products Limited	Chairman
AVT McCormick Ingredients Private Limited	Chairman
Teleflex Medical Private Limited	Chairman
Midland Latex Products Limited	Chairman
A.V. Thomas Leather & Allied Products Pvt. Limited	Chairman
A.V.T Holdings Private Limited *	Chairman
Aspera Logistics Private Limited #	Director
Midland Corporate Advisory Services Private Limited	Director
A.V.Thomas Exports Limited	Director
A.V.Thomas Investments Co. Limited	Director
L.J. International Limited	Director
AVT Gavia Foods Pvt. Limited	Director
AVT Tea Services Limited, U.K.	Director
Saksoft Limited	Director

*Earlier known as AVT Infotech Pvt. Ltd.

Earlier known as Ajit Thomas Holdings Private Ltd.

His spouse Mrs. Shanthi Thomas is the Executive Director of the company.

Shareholding in the company: 4,10,453 equity shres of Rs. 10 each held jointly with Mrs. Shanthi Thomas.

His other Committee Memberships are :

Name of the Company	Name of the Committee	Member / Chairman
Saksoft Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Stakeholders Relationship Committee	Member
The Midland Rubber and Produce Co. Ltd.	Stakeholders Relationship Committee	Chairman
The Nelliampathy Tea & Produce Co. Ltd.	Stakeholders Relationship Committee	Chairman
A.V. Thomas & Co. Ltd.	Corporate Social Responsibility Committee	Chairman
AVT Natural Products Limited	Stakeholders Relationship Committee	Chairman
AVT Natural Products Limited	Corporate Social Responsibility Committee	Member

Name : Mr. Raghu Bhale Rao
 Age : 85 years
 Qualifications : Masters Degree in Political Science & MBA (Management), Degree from Columbia University, New York.
 Expertise : Retired Businessman and was dealing in Manufacture of Auto Parts, manufacture of Nylon yarn into fishnet twine and fish nets.

Other directorships

Name of the Company	Position held
A.V. Thomas & Company Limited	Director

Shareholding in the company: Nil

His other Committee Memberships :

Name of the Company	Name of the Committee	Member / Chairman
A. V. Thomas & Company Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member

Name : Mr. F. S. Mohan Eddy
 Age : 66 years
 Qualifications : B.E in Mechanical Engineering from the College of Engineering in Guindy and a Post Graduate Diploma in Management from IIM Calcutta.
 Expertise : Mr.F.S.Mohan Eddy has long experience in building organizations across various sectors from manufacturing to technology. He has spent over 20 years in the IT industry and has been among the early band of pioneers who built the Indian IT's Offshore Delivery success story.

Other directorships

Name of the Company	Position held
Ensign Workflow Technologies Pvt. Ltd.	Director
Scimergent Analytics and Education Pvt. Ltd.	Director
Madura Micro Education Pvt. Ltd.	Director
Madura Micro Finance Ltd.	Whole time Director
SciSphere Analytics India Pvt. Ltd.	Director

Shareholding in the company: Nil

His other Committee Memberships : Nil

Name : Mr. W. D. Nelson
 Age : 80 years
 Qualifications : Intermediate and Diplomaholder in Accounting
 Expertise : Mr.W.D.Nelson has vast experience of over 53 years in the areas of Land and Labour matters in Plantation Industry and General Management with A.V.Thomas Group Companies.

Other directorships

Name of the Company	Position held
The Highland Produce Company Limited	Director
L.J. International Limited	Director
A.V.Thomas Investments Company Limited	Director
DALP Trading & Manufacturing Company Limited	Director
The Nelliampathy Tea & Produce Company Ltd.	Director
The Midland Rubber & Produce Company Ltd.	Additional Director

Shareholding in the company: 100 equity shares of Rs. 10 each

His other Committee Memberships : Nil

EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of Companies Act 2013)

Item No. 4

Appointment of Mr. Raghu Bhale Rao as Independent Director

The Company had, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointed Mr. Raghu Bhale Rao, as Independent Director.

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

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

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 (1) of the Act proposing the candidature of Mr. Raghu Bhale Rao for the office of Director of the Company.

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

Mr. Raghu Bhale Rao is interested in the resolution set out as Item No. 4 of the Notice with regard to his appointment.

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

Your Directors recommend the Resolution for approval of the shareholders.

Item No. 5

Appointment of Mr. F.S.Mohan Eddy as Independent Director

The Company had, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointed Mr. F.S.Mohan Eddy, as Independent Director.

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

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

The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 (1) of the Act proposing the candidature of Mr. F.S.Mohan Eddy for the office of Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. F.S.Mohan Eddy as Independent director is now being placed before the members for approval.

Mr. F.S.Mohan Eddy is interested in the resolution set out as Item No. 5 of the Notice with regard to his appointment.

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

Your Directors recommend the Resolution for approval of the shareholders.

Item No. 6

Appointment of Mr. W.D.Nelson as Director

Mr. W.D.Nelson was appointed as an Additional Director on the Board of the Company vide Circular Resolution dated April 15, 2016 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 108 of the Articles of Association of the Company. Pursuant to the provisions of Section 160(1) of the Companies Act, 2013, Mr. W.D.Nelson will hold office upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member alongwith the deposit of requisite amount under Section 160 (1) of the Act proposing the candidature of Mr. W.D.Nelson for the office of Director of the Company.

Mr. W.D.Nelson is an Intermediate & Diploma Holder in Accounting and has vast experience of over 53 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.

Mr. W.D.Nelson has given his consent to act as a Director and he is not disqualified in terms of Section 164 of the Companies Act, 2013.

Mr. W.D.Nelson is interested in the resolution set out as Item No. 6 of the Notice with regard to his appointment.

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

Your Directors recommend the Resolution for approval of the shareholders.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventy Third Annual Report, with the Audited Accounts for the year ended March 31, 2016.

FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2016 is summarized below:

Particulars	Amount Rs.	
	2015 - 2016	2014 - 2015
Income from Operations	32,84,50,017	29,92,04,841
Other Income	4,77,49,753	5,28,37,100
Total Income	37,61,99,770	35,20,41,941
Profit before tax for the year	4,00,48,555	6,13,00,983
Less : Provision for taxation (inclusive of MAT credit utilized)	55,00,000	80,00,000
Profit after tax	3,45,48,555	5,33,00,983
Add : Adjustments relating to fixed assets	---	(2,45,651)
Add : Surplus brought forward from Previous year	74,79,532	45,81,055
Total Amount available for appropriation	4,20,28,087	5,76,36,387
LESS :		
First Interim Dividend paid on equity shares @ 200% (Rs. 20 per equity share on face value of Rs. 10/-)	1,25,47,000	1,25,47,000
Tax on First Interim Dividend	25,54,193	25,08,662
Second Interim Dividend paid on equity shares @ 200% (Rs. 20 per equity share on face value of Rs. 10/-)	1,25,47,000	---
Tax on Second Interim Dividend	25,54,193	---
Transfer to General Reserve	---	2,00,00,000
Final Dividend on Equity Shares (Previous year Rs. 20 per equity share on the face value of Rs. 10/-)	---	1,25,47,000
Provision for tax on Final Dividend	---	25,54,193
Surplus carried to Balance Sheet	1,18,25,701	74,79,532
Total	4,20,28,087	5,76,36,387

OPERATIONS REVIEW

Total income increased from Rs 35.20 Crores in 2014-15 to Rs. 37.62 Crores in 2015-16 resulting in an increase of 6.88 %. Profit after Tax was Rs. 3.45 Crores (previous year : Rs. 5.33 Crores).

Tea production during the year was 12.39 lacs Kgs with an average yield of 2330 kgs. per hectare as against 12.49 lacs Kgs with an average yield of 2405 kgs. per hectare during last year. Apart from this there is also a production of 11.02 Lacs kgs of bought leaf as against 11.89 Lacs Kgs during the

previous year. The sale average during the year was at Rs. 126.59 per Kg as against the last year's sale average of Rs. 121.07/- per Kg.

DIVIDEND

During the year, the Board declared two Interim Dividends of 200% each (Rs. 20 each per share), amounting to Rs. 1,25,47,000 each, excluding dividend tax. The aggregate of dividend declared during the year was 400% (Rs. 40 per share) amounting to Rs. 2,50,94,000, excluding dividend tax.

LISTING OF SECURITIES ON BSE LTD

The equity shares of the company continued to be listed on BSE Ltd.

BOARD MEETINGS

The Board of Directors consists of Mr. Ajit Thomas, Chairman, Mrs. Shanthi Thomas, Executive Director, Mr. A.D.Bopana, Mr. Raghu Bhale Rao & Mr. F.S.Mohan Eddy, Independent Directors and Mr. W.D.Nelson, Additional Director. Mr. G. Vijayaraghavan has resigned from the Board of Directors on account of personal reasons w.e.f 22.07.2015. Mr. S.Rajasekar has ceased to be a Director on account of his death on 24.03.2016.

The Board of Directors met five times during this financial year. The details of the Board meetings are given in Corporate Governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE MEETINGS

The Audit Committee presently consists of three Independent Directors.

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

Mr.A.D.Bopana (Chairman)

Mr.S.Rajasekar (expired on 24.03.2016)

Mr.G.Vijayaraghavan (upto 22.07.2015)

Mr. Raghu Bhale Rao (w.e.f 20.10.2015)

Mr. F.S.Mohan Eddy (w.e.f 14.03.2016)

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

The Committee met four times during this financial year. The details of the Committee meetings are given in Corporate Governance report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism / Whistle Blower Policy in place pursuant to Section 177 (9) of the Companies Act 2013 and as per Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available in the website of the company.

NOMINATION & REMUNERATION COMMITTEE

The constitution of the Nomination & Remuneration Committee are given as follows:-

Mr. A.D.Bopana - Independent Director

Mr. G.Vijayaraghavan - Independent Director
(upto 22.07.2015)

Mr.S.Rajasekar - Non - Executive
(expired on 24.03.2016) Non-independent Director

Mr. Raghu Bhale Rao - Independent Director
(w.e.f 20.10.2015)

Mr. F.S.Mohan Eddy - Independent Director
(w.e.f 14.03.2016)

NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management, Key Managerial Personnel and their remuneration.

PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

The details of investments made by Company is given in the note nos. 7 & 8 to the financial statements.

FIXED DEPOSITS

The Company is not accepting deposits and all deposits accepted earlier have been repaid. As such there are no unclaimed deposits in the books of the company as on March 31, 2016.

DIRECTORS & KEY MANAGERIAL PERSONNEL

1. Executive Director

Mrs. Shanthi Thomas is the Executive Director of the Company. The provisions of the Companies Act, 2013 pertaining to appointment of Woman Director under Section 149(1) have been complied with.

2. Independent Directors

Mr. G.Vijayaraghavan has resigned from the Board of Directors on account of personal reasons w.e.f 22.07.2015. Your Directors place on record, their appreciation for the valuable services rendered by Mr. G.Vijayaraghavan during his tenure as Director of the Company.

Mr. Raghu Bhale Rao & Mr. F.S.Mohan Eddy, have been appointed as Additional Directors (Independent) w.e.f 20.10.2015 & 28.01.2016 respectively. Notices have been received from the shareholders pursuant to Section 160 of Companies Act, 2013 proposing the candidature of Mr. Raghu Bhale Rao & Mr. F.S.Mohan Eddy for Directorship, along with the prescribed fees.

3. Directors

Mr. S.Rajasekar has ceased to be a Director on account of his death on 24.03.2016. Your Directors place on record, their appreciation for the valuable services rendered by Mr. S.Rajasekar during his tenure as Director of the Company.

Mr. W.D.Nelson has been appointed as Additional Director vide Circular Resolution dated April 15, 2016, to hold office upto the date of the ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160(1) of the Act proposing the candidature of Mr. W.D.Nelson for the office of Director of the Company.

4. Director retiring by rotation

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Ajit Thomas, Chairman retires by rotation at the 73rd Annual General Meeting and being eligible, offer himself for re-appointment.

5. Key Managerial Personnel

Mrs. Shanthi Thomas has been appointed as the Executive Director of the Company and Mr. T.M.Harikumar has been appointed as Company Secretary & Chief Financial Officer of the company, in accordance with the provisions of Section 203 of the Companies Act, 2013.

6. Declaration from Independent Directors on Annual Basis

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

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

The company has no subsidiary companies.

During the year the Company has repatriated full proceeds on disinvestment of the company's investment of Rs. 90,20,000 equivalent to US\$ 2,00,000 in M/s. Midland Natural Pte Ltd., Singapore to India along with surplus.

As required under Section 129(3) of the Companies Act, 2013, the Company has prepared a Consolidated Financial Statement in respect of its Associates/Joint Venture companies along with its own financial statements. Further, details of financial performance/financial position of the associate companies as required under first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 are annexed in Form AOC 1 (Annexure 1).

CONSERVATION OF ENERGY

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Company's Foreign Exchange Earnings amounted to Rs. 21,70,87,298/-. The total outgo on Foreign Exchange amounted to Rs. 19,55,247/-. Details are set out in Notes 23 & 24 of the Accounts. The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

PARTICULARS OF EMPLOYEES

The information required under Companies Act 2013 and pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not applicable.

Further, the information required pursuant to Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed (Annexure 3) to this report.

AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the appointment of M/s. Suri & Co., Chartered Accountants, Chennai - 600 017, (Firm's registration No. 004283S) as the Statutory Auditors of the Company needs to be ratified by the members at every Annual General Meeting (AGM). Your directors recommend ratifying their appointment at the forthcoming AGM.

AUDITORS' REPORT

There are no qualifications or adverse remarks mentioned in the Auditors' report. The notes to accounts forming part of financial statements are self-explanatory and needs no further clarification.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mr. V. Suresh, Practising Company Secretary (C.P. No. 6032), Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in Form MR-3 is annexed (Annexure 4) to this report.

There is no Secretarial Audit qualification for the year under review.

COST AUDIT

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

INTERNAL AUDITORS

During the year under review, M/s. Vasanthan Naresh & Associates, Chartered Accountants, Coimbatore carried out the internal audit of the company and submitted their reports.

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion & Analysis Report and Report on Corporate Governance with Certificate on compliance with conditions of Corporate Governance have been annexed to this report (Annexures 5 & 6).

INSURANCE

The Company continues to carry adequate insurance coverage for all assets.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Details of the transactions are provided in Form AOC-2 which is attached as Annexure 7 to this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed (Annexure 8)

INDUSTRIAL RELATIONS

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

CORPORATE SOCIAL RESPONSIBILITY

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has constituted a Stakeholders Relationship Committee comprising of Mr. Ajit Thomas, as Chairperson and Mr. A.D. Bopana as Member of the Committee. The Board has designated Mr. T.M. Hari Kumar, Company Secretary & CFO of the Company as the Compliance Officer.

RISK MANAGEMENT PLAN

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

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

Particulars	Risk Minimizing steps
Fixed Assets and Current Assets	The company has taken adequate insurance coverage of its fixed assets and current assets which will minimize the impact of another event or development
Financial Risk	The company has a conservative debt policy. The debt component is very marginal
Foreign Exchange Risk	Whenever there is an export, the Foreign Exchange is covered at the time of confirmation of order so as to negate any fluctuation in the exchange rate
Credit risk on exports	The credit is insured through Export Credit and Guarantee Corporation Limited (ECGC)

Mr. T.M.Harikumar, Company Secretary & CFO has been assigned the task of informing the Board about the various risks and its mitigation by the Company from time to time.

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

BOARD EVALUATION

The performance of Board, its Committees and individual directors are evaluated by number of meetings held, time spent in each meeting deliberating the issues, statutory compliance, contribution of each director, the details of decision taken and measures adopted in implementing the decision and monitoring the continuous implementation of the decision and feed back to the Board.

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Note 1 to the Financial Statements.

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the accounts for the financial year ended 31st March 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the accounts for the financial year ended 31st March 2016 on a 'going concern basis.
5. The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and those transactions are authorised, recorded and reported correctly. The Company has an extensive system of internal controls which ensures optimal utilization and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations as also internal policies and procedures. The internal control system is supplemented by extensive internal audits, regular reviews by management, and well documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

ACKNOWLEDGEMENT

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

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

For and on Behalf of the Board of Directors

Chennai
30.05.2016

Ajit Thomas
Chairman
DIN : 00018691

ANNEXURE - 1

FORM AOC - 1

Amt. in Rs.

Sl. No.	Name of Associates / Joint Ventures	AVT Natural Products Ltd	Midland Corporate Advisory Services Pvt. Ltd.
1	Latest audited Balance Sheet Date	31st March 2016	31st March 2016
2.	Share of Associate / Joint Venture held by the Company on the year end		
	(i) No.	6,09,13,600	2,50,000
	(ii) Amount of Investment in Associates / Joint Venture	2,58,96,668	25,00,000
	(iii) Extend of Holding %	40.00%	32.89 %
3	Description of how there is significant influence	More than 20% of the Total Share Capital of the Associate Concern is held by Neelamalai Agro Industries Ltd.	
4	Reason why the associate / joint venture is not consolidated	The Account of Associates have been Consolidated	
5.	Networth attributable to shareholding as per latest audited Balance Sheet	83,85,19,490	11,29,985
6.	Profit / Loss for the year		
	i. Considered in Consolidation	8,65,11,294	(5,27,612)
	ii. Not Considered in Consolidation	---	---
Total Networth of the company		2,09,62,98,725	34,35,649

Conservation of Energy

The information under Section 134 (3 (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2016 is given here below and forms part of the Directors' Report.

A. CONSERVATION OF ENERGY

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

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

ANNEXURE - 3

**COMPARATIVE ANALYSIS OF REMUNERATION PAID TO DIRECTORS AND
EMPLOYEES WITH THE COMPANY'S PERFORMANCE**

Sl. No.	Name of the Director / KMP	Designation	Ratio to Median Remuneration	% Increase in Remuneration	
1	Mrs. Shanthi Thomas	Executive Director	01:47	Not applicable, as appointment is w.e.f. 5th February 2015	
	Mr. T. M. Hari Kumar	Company Secretary & CFO	01:29	Not applicable, as appointment is w.e.f. 5th February 2015	
2.	The percentage increase in the median remuneration of employees in the financial year			6.19	
3.	The number of permanent employees on the rolls of company			730	
4.	The explanation on the relationship between average increase in remuneration and company performance		Company Performance Profit	-34.75%	
			Average increase in remuneration %	14.54	
5.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Designation	% of increase in remuneration	Company performance (Profit)	
	Mrs. Shanthi Thomas	Executive Director	Not applicable, as appointment is w.e.f. 5th February 2015	Rs. 4.00Crores	
	Mr. T. M. Hari Kumar	Company Secretary & CFO			
	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case listed companies.	Details as on 31st March	2014 - 15	2015 - 16	Increase %
		No. of shares	6,27,350	6,27,350	Nil
		Share price in Rs.			
		BSE	980.92	802	(18.24)
		EPS	84.96	55.07	(35.18)
		PE Ratio (based on audited results)	11.55	14.56	26.14
		Company's market Cap. Rs. in Crores	61.54	50.31	(18.24)
			Details		Increase
6	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration		Average percentile increase already made in the salaries of employees		14.54%
			Perecentile increase in the remuneration to managerial personnel		N.A.
7.	The key parameters for any variable components of remuneration availed by the directors	There is no variable components of remuneration			
8.	The ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year ; and pay	0.79			
9.	Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year 2015- 16 is as per the remuneration policy of the company			

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2015-16

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

To

The Members,

M/s. NEELAMALAI AGRO INDUSTRIES LIMITED

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

Based on my verification of M/s. NEELAMALAI AGRO INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. NEELAMALAI AGRO INDUSTRIES LIMITED ("the Company") for the financial year ended on 31st March 2016 according to the provisions of:

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

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Upto 14th May 2015)
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (w.e.f.15th May 2015)
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (NOT APPLICABLE)
- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (NOT APPLICABLE)
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (NOT APPLICABLE)
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (NOT APPLICABLE)
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (NOT APPLICABLE)
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (NOT APPLICABLE)

Other Laws specifically applicable to this Company is as follows:

- (vi) Plantation Labour Act, 1951
- (vii) Food Safety and Standards Act, 2006
- (viii) Tea Act, 1953

(ix) Tea (Marketing) Control Order 2003.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.(till 30th November 2015)
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f 01st December 2015)

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

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

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

I further report that during the audit period, there are no instances of:

1. Public / Rights / Preferential issue of shares / debentures / sweat equity.
2. Redemption / buy-back of securities.
3. Merger / amalgamation / reconstruction etc.
4. Foreign technical collaborations.

V. SURESH
PRACTISING COMPANY SECRETARY
FCS No. 2969
C.P. No. 6032

Place : Kochi
Date : 19.05.2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

1) BUSINESS PROFILE

The Company is engaged in Plantation activity and the crop dealt with by the Company is Tea and the main business being Tea cultivation, Tea manufacturing, sales and exports of Tea.

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

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

2) INDUSTRY SCENARIO

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

3) PERFORMANCE

During the year under review, sales has increased by 9.76 %. The company has posted an operating profit of Rs. 400 lakhs, as against Rs. 613 lakhs during the last year. The summary of the performance is given below:-

Particulars	31.03.2016 Rs. Lacs	31.03.2015 Rs. Lacs
Sales	3,284	2,992
Other Receipts	477	528
Total Income	3,761	3,520
Material Cost	780	695
Expenses	2,470	2,090
Profit before Interest and Depreciation	511	735
Interest	4	6
Depreciation	107	116
Operating Profit for the year	400	613

4) OPPORTUNITIES AND THREATS

a. Opportunities

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

b. Threats

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

5) OUTLOOK

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

6) RISKS AND CONCERNS

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

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

Particulars	Risk minimising steps
Fixed Assets and Current Assets	The company has taken adequate insurance coverage of its fixed assets and current assets which will minimize the impact of another event or development
Financial Risk	The company has a conservative debt policy. The debt component is very marginal.
Foreign Exchange Risk	Whenever there is an export, the Foreign Exchange is covered at the time of confirmation of order so as to negate any fluctuation in the exchange rate.
Credit risk on exports	The credit is insured through Export Credit and Guarantee Corporation Limited (ECGC)

7) INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

8) FINANCIAL PERFORMANCE ANALYSIS

During the year under review, total revenue of the Company was Rs. 3762 Lacs as against Rs. 3520 Lacs during the previous year. Tea production including Bought Leaf during the year was 23.41 Lacs kgs as against 24.38 Lacs kgs. during the previous year. Other receipts have recorded an income of Rs. 477 Lacs during the year.

9) INFORMATION TECHNOLOGY

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

10) HUMAN RESOURCES

The company attaches significant importance to continuous up gradation of Human Resources for improving the productivity of employees at all levels leading to improvement in quality of the produce, which will ensure a better customer satisfaction and a higher growth. As a part of HR strategy, training programmes are organised for employees at all levels. As on 31st March 2016, the company has an employee strength of 1099 nos.

11) CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company submits the report on matters mentioned in the said Regulation and the practices followed by the Company.

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

2. a. BOARD OF DIRECTORS

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

Category	Name of the Directors
Promoter/Chairman	Mr. Ajit Thomas
Executive Director	Mrs. Shanthi Thomas
Non-Executive Directors	Mr.S.Rajasekar (expired on 24.03.2016) Mr. W.D. Nelson (w.e.f. 15.04.2016)
Non-Executive and Independent Directors	Mr. A. D. Bopana Mr. G. Vijayaraghavan (upto 22.07.2015) Mr. Raghu Bhale Rao (w.e.f. 20.10.2015) Mr. F.S. Mohan Eddy (w.e.f. 28.01.2016)

Shareholdings of Non-executive Directors

Name of the Non-Executive Director	No. of Shares held
Mr. Ajit Thomas (Promoter / Chairman)	4,10,453 equity shares jointly held with Mrs. Shanthi Thomas
Mr. A.D.Bopana	35
Mr. S.Rajasekar (expired on 24.03.2016)	1
Mr. W.D. Nelson (w.e.f. 15.04.2016)	100

b. Board Meetings

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

During the year 2015-2016, the Board met five times. The dates on which the meetings were held are as follows:-
27.05.2015, 22.07.2015, 20.10.2015, 28.01.2016 and 14.03.2016.

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

Director	Category	No. of Board Meeting attended	Last AGM Attendance (Yes / No)	No. of Directorships other than Neelamalai Agro Industries Ltd., Pvt. Ltd. Companies & Foreign Companies	No. of Memberships in Board Committees other than Neelamalai Agro Industries Ltd.	Whether Chairman / Member
Mr. Ajit Thomas	Chairman	5	No	9	8	4 as Chairman 4 as Member
Mrs. Shanthi Thomas	Executive Director	3	No	2	1	Member
Mr. S. Rajasekar (expired on 24.03.2016)	Non- Executive Director	3	No			
Mr. A.D.Bopana	Non- Executive Director Independent Director	4	Yes	3	6	1 as Chairman 5 as member
Mr. G. Vijayaraghavan (upto 22.07.2015)	Non- Executive Director Independent Director	2	N.A.	1	Nil	N.A.
Mr. Raghu Bhale Rao (w.e.f. 20.10.2015)	Non- Executive Director Independent Director	2.	N.A.	1	2	Member
Mr. F.S. Mohan Eddy (w.e.f. 28.01.2016)	Non- Executive Director Independent Director	1	N.A.	1	None	N.A.
Mr. W.D. Nelson (w.e.f. 15.04.2016)	Non- Executive Director	N.A.	N.A.	6	None	N.A.

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

3. AUDIT COMMITTEE

The Audit Committee presently consists of three Independent Directors.

Name of the Members:-

Mr.A.D.Bopana (Chairman)

Mr.S.Rajasekar (expired on 24.03.2016)

Mr.G.Vijayaraghavan (upto 22.07.2015)

Mr. Raghu Bhale Rao (w.e.f 20.10.2015)

Mr. F.S.Mohan Eddy (w.e.f 14.03.2016)

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

During the year the Committee met four times on 27.05.2015, 22.07.2015, 20.10.2015 and 28.01.2016.

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

Member	No. of Audit Committee Meetings attended
Mr. A.D.Bopana	4
Mr. S. Rajasekar (expired on 24.03.2016)	3
Mr. G. Vijayaraghavan (upto 22.07.2015)	2
Mr. Raghu Bhale Rao (w.e.f. 20.10.2015)	2
Mr. F. S. Mohan Eddy (w.e.f. 14.03.2016)	N.A.

4. NOMINATION & REMUNERATION COMMITTEE

The constitution of the Nomination & Remuneration Committee are given as follows:-

Mr. A.D.Bopana	- Independent Director
Mr. G.Vijayaraghavan (upto 22.07.2015)	- Independent Director
Mr.S.Rajasekar (expired on 24.03.2016)	- Non-executive Non-Independent Director
Mr. Raghu Bhale Rao (w.e.f 20.10.2015)	- Independent Director
Mr. F.S.Mohan Eddy (w.e.f 14.03.2016)	- Independent Director

The Committee met twice during the year on 20.10..2015 & 28.01.2016 to recommend the appointment of Mr. Raghu Bhale Rao & Mr. F.S.Mohan Eddy respectively as Additional Directors (Independent). The attendance of the each member of the Nomination & Remuneration Committee at its meeting is as follows:-

Name of the Committee Member	No. of Meetings attended
Mr.A.D.Bopana	2
Mr. S.Rajasekar	1
Mr. Raghu Bhale Rao(w.e.f 20.10.2015)	1
Mr. F.S.Mohan Eddy(w.e.f 14.03.2016)	N.A.

The Board of Directors has re-constituted the Committee and at present it comprises of three Non-Executive Independent Directors, viz., Mr. A.D.Bopana, Mr. Raghu Bhale Rao and Mr. F.S.Mohan Eddy. Mr. A.D.Bopana is the Chairman of the Nomination & Remuneration Committee.

Role of Nomination & Remuneration Committee

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size etc.,
- Succession planning for replacing Key Executives and overseeing.

- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management, Key Managerial Personnel and their remuneration.

Contents of Nomination & Remuneration Policy

Executive Directors including Managing Director (MD) and Whole time Director (WTD) shall be paid remuneration comprising of several components (including fixed as well as variable), as may be decided and approved by the Board from time to time, on the recommendation of the Committee and also approved by the shareholders and the Central Government, if so required.

Such remuneration will be determined according to industry standards, experience, laws and regulations, prevailing market conditions and scale of Company's business relating to the position. The policy also contains the scope and criteria for evaluation of independent directors and the Board as a whole. Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) shall be paid such remuneration as recommended by the Committee and approved by the Board from time to time. However, for all KMPs (except for the MD/WTD) and/or SMP or other employees the Committee / Board may also authorize the person in charge of day-to-day affairs of the company to decide their remuneration based on their qualification, experience, expertise and their performance.

Details of Payments made to Non-executive Directors – In order to retain seasoned professional on the Board & to receive their valuable guidance, the non-executive directors may be paid such remuneration as permissible under the applicable provisions of the Companies Act, 2013 as amended from time to time.

5. DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS

The Company pays sitting fees to all non- Executive Directors at the rate of Rs. 10,000/- for each meeting of the Board and Rs. 5,000/- for each Audit Committee meeting attended by them. The Company also pays sitting fee to Independent Directors at the rate of Rs. 5000/- for each meeting of the Independent Directors attended by them. Sitting Fee at the rate of Rs. 3000/- is paid to Directors for attending the meetings of Nomination & Remuneration Committee.

Name	Remuneration Rs.	Sitting Fees Rs.	Contribution to P.F. & Other Funds Rs.	Total Rs.
Mr.Ajit Thomas - Promoter / Chairman	N.A.	50,000	N.A.	50,000
Mrs. Shanthi Thomas - Executive Director	N.A.	N.A.	N.A.	N.A.
Mr. A.D.Bopana	N.A.	68,000	N.A.	68,000
Mr. S.Rajasekar (expried on 24.03.2016)	N.A.	45,000	N.A.	45,000
Mr. G. Vijayaraghavan (upto 22.07.2015)	N.A.	30,000	N.A.	30,000
Mr. Raghu Bhale Rao (w.e.f. 20.10.2015)	N.A.	38,000	N.A.	38,000
Mr. F. S. Mohan Eddy (w.e.f. 28.01.2016)	N.A.	15,000	N.A.	15,000
Mr. W. D. Nelson (w.e.f. 15.04.2016)	N.A.	N.A.	N.A.	N.A.

6. STAKE-HOLDERS' RELATIONSHIP COMMITTEE

The Board has constituted a Stakeholders Relationship Committee comprising of Mr.Ajit Thomas, as Chairperson and Mr.A.D.Bopana as Member of the Committee. The Board has designated Mr.T.M.Hari Kumar, Company Secretary & CFO of the Company as the Compliance Officer.

There were no Investor Complaints pending as on 31st March 2016.

7. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2012-13	Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213	02/09/2013	3.30 P.M
2013-14	Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213	10/09/2014	3.30 P.M
2014-15	Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213	09.09.2015	10.00 A.M

b. Special Resolutions:

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

c. Postal Ballot

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

8. DISCLOSURES

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

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDER INFORMATION

(i)	Annual General Meeting -Date and Time -Venue		August 08, 2016 at 10.00 a.m. Katary Estate, Katary Post, Coonoor, The Nilgiris - 643213
(ii)	Financial Calendar (Tentative)	Unaudited Results for the quarter ending 30.06.2016 quarter ending 30.09.2016 quarter ending 31.12.2016 Audited Financial Results for the year ending 31.03.2017	Before 15.08.2016 Before 15.11.2016 Before 15.02.2017 Before end of May, 2017
(iii)	Dates of Book Closure		02.08.2016 to 08.08.2016 (both days inclusive)
(iv)	Dividend Payment Date		Within 25 days from the date of AGM
(v)	Listing on Stock Exchanges	BSE Ltd	The Annual Listing Fees prescribed has been paid to the above Stock Exchange.
(vi)	a) Stock Code b) Demat ISIN Number in CDSL for equity shares	BSE Ltd	NEAGI INE 605D01012
(vii)	Stock Market Data	BSE Ltd	Rs. 842 (last traded price - April 21, 2016)

11. TRANSFER AGENTS

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

12. SHARE TRANSFER SYSTEM

The Company's shares are traded in the Bombay stock exchange in demat mode. The transfer of physical shares of the company are now handled by our Transfer Agent M/s Cameo Corporate Services Limited, Chennai. Shares in physical mode, which are lodged for transfer either with the Company or with the Share Transfer Agent, are processed and the share certificates are returned to the transferees within 15 days of lodgement in case of Transfer and within 21 days in case of Transmission, as per the listing agreement.

a. Distribution of Shareholding as on 31.03.2016

No. of Equity Shares	Shareholders		No. of Equity Shares	
	Number	%	Number	%
Upto 500	1,081	94.82	1,35,488	21.60
501-1000	40	3.51	31,836	5.07
1001-2000	10	0.88	12,906	2.06
2001-3000	4	0.35	9,950	1.58
3001-4000	2	0.18	7,000	1.12
4001-5000	0	0	0	0
5001-10000	0	0	0	0
10001 & above	3	0.26	4,30,170	68.57
TOTAL	1140	100	6,27,350	100

b. Pattern of Shareholding as on 31.03.2016

Category	No. of Equity Shares	Percentage
Promoters	4,14,303	66.04
Banks	4,250	0.68
NRI's	50	0.01
Bodies Corporate	8,056	1.28
Public	2,00,691	31.99
TOTAL	6,27,350	100

c. Dematerialisation of Shares

The shares of this Company are partially in demat form.

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

14. PRODUCTION CENTRES

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

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

Telephone : 0484 - 2315312

Fax : 0484 - 2312541

E mail : secneelamalai@vsnl.net

Website : www.neelamalaiagro.com

Declaration under Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct

In accordance with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial Year ended 31st March 2016.

For Neelamalai Agro Industries Ltd.,

Chennai
30.05.2016

AJIT THOMAS
Chairman
DIN : 00018691

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

To the Members of

Neelamalai Agro Industries Limited

I have examined the compliance of Corporate Governance by Neelamalai Agro Industries Limited, for the year ended 31st March 2016, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

Place : Kochi
Date : 19.05.2016

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

Form AOC - 2

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

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

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

Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2015 - 2016.

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

(a) Name(s) of the related party and nature of relationship:

(b) Nature of contracts/arrangements/transactions:

(c) Duration of the contracts / arrangements/transactions:

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

(e) Date(s) of approval by the Board, if any:

(f) Amount paid as advances, if any:

(Details are given in Annexure 7A)

For and on behalf of the Board of Directors

Chennai
30.05.2016

AJIT THOMAS
Chairman
DIN : 00018691

ANNEXURE 7 A

FORM AOC - 2

Name of the Company	Nature of Relationship	Nature of Transaction	Duration of Transactions	Amount Rs.	Salient Terms	Date of Approval by the Board	Amount Paid as Advance if any
AVT Natural Products Ltd	Common Control through constitution of Board / Share holding	Sale of Tea	On going transactions	51,970.00	Market Rate	Not Applicable	Nil
The Nelliampathy Tea & Produce Co. Ltd.	Common Control through constitution of Board / Share holding	Sale of Spares	On going transactions	21,105.00	Market Rate	Not Applicable	Nil
A. V. Thomas & Co. Ltd.	Common Control through constitution of Board / Share holding	Sale of Tea	On going transactions	1,14,028.00	Market Rate	Not Applicable	Nil
A. V. Thomas & Co. Ltd.	Common Control through constitution of Board / Share holding	C & F Charge	On going transactions	2,42,892.00	Market Rate	Not Applicable	Nil
Midland Corporate Advisory Service Pvt. Ltd.	Common Control through constitution of Board / Share holding	Professional charges	On going transactions	10,22,080.00	Market Rate	Not Applicable	Nil
Midland Natural Pte Ltd., Singapore	Associate Company / Joint Venture	Repatriation of Investment due to dissolution	Single transaction	1,30,23,222.00	Disinvestment	20.10.2015	Nil

**FORM MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L01117TZ1943PLC000117
2.	Registration Date	21/04/1943
3.	Name of the Company	Neelamalai Agro Industries Ltd.
4.	Category/Sub-category of the Company	Public Limited
5.	Address of the Registered office & contact details	Katary Estate, Katary Post Coonoor, The Nilgiris - 643213
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Ltd. Subramanian Building, 1, Club House Road, Chennai – 600 002

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Tea	01271	87

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary Associate	% of Shares held	Application Section
1	AVT Natural Products Ltd	L15142TN1986PLC012780	ASSOCIATECOMPANY	40.00	2(6)
2	Midland Corporate Advisory Services Pvt.Ltd	U65993TN2005PTC055807	ASSOCIATECOMPANY	32.89	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category - wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individuals / HUF	1,000	4,13,203	4,14,203	66.02	1,100	4,13,203	4,14,303	66.04	0.02
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	1,000	4,13,203	4,14,203	66.02	1,100	4,13,203	4,14,303	66.04	0.02
(2) Foreign									
NRIs -Individuals	0	0	0	0	0	0	0	0	0
Other -Individuals	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter(A) =(A)(1)+(A)(2)	1,000	4,13,203	4,14,203	66.02	1,100	4,13,203	4,14,303	66.04	0.02
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	500	3,750	4,250	0.68	500	3,750	4,250	0.68	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII s	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	500	3,750	4,250	0.68	500	3,750	4,250	0.68	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	1,950	5,506	7,456	1.19	2,550	5,506	8,056	1.28	0.09
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	31,132	1,57,372	1,88,504	30.05	22,552	1,55,122	1,77,674	28.32	(1.73)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	10,787	0	10,787	1.72	20,817	0	20,817	3.32	1.60
c) Others (specify)	0	0	0	0	0	0	0	0	0
Clearing Members	100	0	100	0.02	100	0	100	0.02	0
Foreign Nationals	0	400	400	0.06	0	400	400	0.06	0
HUF's	1,100	0	1,100	0.17	1,200	0	1,200	0.19	0.02
Non Resident Indians	50	0	50	0.01	50	0	50	0.01	0
Trusts	0	500	500	0.08	0	500	500	0.08	0
Sub-total (B)(2):-	45,119	1,63,778	2,08,897	33.30	47,269	1,61,528	2,08,797	33.28	(0.02)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	45,619	1,67,528	2,13,147	33.98	47,769	1,65,278	2,13,047	33.96	(0.02)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	46,619	5,80,731	6,27,350	100.00	48,869	5,78,481	6,27,350	100.00	0

B) Shareholding of Promoters-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1	Mr. Ajit Thomas	4,10,353	65.41	Nil	4,10,453	65.43	Nil	0.02
2	Mr. Dilip Thomas	2,650	0.42	Nil	2,650	0.42	Nil	Nil
3	Mrs. Lily Thomas	1,200	0.19	Nil	1,200	0.19	Nil	Nil
	Total	4,14,203	66.02	Nil	4,14,303	66.04	Nil	0.02

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	MR. AJIT THOMAS JT. 1 MRS. SHANTHI THOMAS				
	At the beginning of the year 01-Apr-2015	4,10,353	65.41	4,10,353	65.41
	Purchase 04-Sep-2015	100	0.02	4,10,453	65.43
	At the end of the Year 31-Mar-2016	4,10,453	65.43	4,10,453	65.43
2	MR. DILIP THOMAS				
	At the beginning of the year 01-Apr-2015	2,650	0.42	2,650	0.42
	At the end of the Year 31-Mar-2016	2,650	0.42	2,650	0.42
3	MRS. LILY THOMAS				
	At the beginning of the year 01-Apr-2015	1,200	0.19	1,200	0.19
	At the end of the Year 31-Mar-2016	1,200	0.19	1,200	0.19

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	MR. MAHENDRA GIRDHARILAL WADHAWANI				
	At the beginning of the year 01-Apr-2015	10,787	1.71	10,787	1.71
	At the end of the Year 31-Mar-2016	10,787	1.71	10,787	1.71
2	MR. PANDICHERRIL PATHROSE ZIBI JOSE (DPID/CLID 1204810000021936)				
	At the beginning of the year 01-Apr-2015	8,980	1.43	8,980	1.43
	Conversion of physical shares into Demat form - 24-Jul-2015	950	0.15	9,930	1.58
	Purchase 14-Aug-2015	100	0.02	10,030	1.60
	At the end of the Year 31-Mar-2016	10,030	1.60	10,030	1.60
3	MR. ALAGAPPAN S (Folio Nos.00001215 & 00002011)				
	At the beginning of the year 01-Apr-2015	4,266	0.68	4,266	0.68
	At the end of the Year 31-Mar-2016	4,266	0.68	4,266	0.68
4	MR. VEERIAH REDDIAR S				
	At the beginning of the year 01-Apr-2015	3,600	0.57	3,600	0.57
	At the end of the Year 31-Mar-2016	3,600	0.57	3,600	0.57
5	MR. NAWAB SIR LIAQUAT HYAT KHAN				
	At the beginning of the year 01-Apr-2015	2,500	0.40	2,500	0.40
	At the end of the Year 31-Mar-2016	2,500	0.40	2,500	0.40
6	COASTLINE STOCKS & SHARES PVT. LTD.				
	At the beginning of the year 01-Apr-2015	2,500	0.40	2,500	0.40
	At the end of the Year 31-Mar-2016	2,500	0.40	2,500	0.40

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
7	STATE BANK OF INDIA				
	At the beginning of the year 01-Apr-2015	2,300	0.37	2,300	0.37
	At the end of the Year 31-Mar-2016	2,300	0.37	2,300	0.37
8	MR. RAMACHANDRA IYER P N				
	At the beginning of the year 01-Apr-2015	2,000	0.32	2,000	0.32
	At the end of the Year 31-Mar-2016	2,000	0.32	2,000	0.32
9	MR. LAKSHMANAN S (Folio Nos.00001246 & 00002013)				
	At the beginning of the year 01-Apr-2015	1,968	0.31	1,968	0.31
	At the end of the Year 31-Mar-2016	1,968	0.31	1,968	0.31
10	HIS HIGHNESS MARTHANDA VARMA				
	At the beginning of the year 01-Apr-2015	1,600	0.26	1,600	0.26
	At the end of the Year 31-Mar-2016	1,600	0.26	1,600	0.26

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	MR. AJIT THOMAS JT. 1. MRS. SHANTHI THOMAS				
	At the beginning of the year 01-Apr-2015	4,10,353	65.41	4,10,353	65.41
	At the end of the Year 31-Mar-2016	4,10,453	65.43	4,10,453	65.43
2	MR. A.D.BOPANA				
	At the beginning of the year 01-Apr-2015	35	0.01	35	0.01
	At the end of the Year 31-Mar-2016	35	0.01	35	0.01
3	MR. B.B.MEDAIAH				
	At the beginning of the year 01-Apr-2015	100	0.02	100	0.02
	At the end of the Year 31-Mar-2016	100	0.02	100	0.02
4	MR. S.RAJASEKAR (expired on 24.03.2016)				
	At the beginning of the year 01-Apr-2015	1	0.0001	1	0.0001
	At the end of the Year 31-Mar-2016	1	0.0001	1	0.0001
5	MR. W. D. NELSON				
	At the beginning of the year 01-Apr-2015	100	0.02	100	0.02
	At the end of the Year 31-Mar-2016	100	0.02	100	0.02
6	MR. T.M.HARIKUMAR				
	At the beginning of the year 01-Apr-2015	3	0.0004	3	0.0004
	At the end of the Year 31-Mar-2016	3	0.0004	3	0.0004

F) **INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Amt. in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	24,54,149	Nil	Nil	24,54,149
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	24,54,149	Nil	Nil	24,54,149
Change in Indebtedness during the financial year				
* Addition				
* Reduction	24,54,149	Nil	Nil	24,54,149
Net Change	24,54,149	Nil	Nil	24,54,149
Indebtedness at the end of the financial year		Nil	Nil	
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

V. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager - Mrs. Shanthi Thomas Executive Director	Total Amount Rs.
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		24,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 - Company Car		28,800
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		Nil
2	Stock Option		Nil
3	Sweat Equity		Nil
4	Commission - as % of profit - others, specify		Nil
5	Others, please specify - P.F & Gratuity		3,88,000
	Total (A)		28,16,800
	Ceiling as per the Act		30,00,000

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. A.D. Bopana	Mr. G.Vijayaraghavan (upto 22.07.2015)		Mr. Raghu Bhale Rao (w.e.f.20.10.2015)	Mr. E.S. Mohan Eddy (w.e.f.28.01.2016)	
1	Independent Directors						
	Fee for attending board & committee meetings	63,000	30,000		33,000	10,000	1,36,000
	Commission	0	0				0
	Others, please specify Fee for attending Independent Director's Meetings	5,000			5,000	5,000	15,000
	Total (2)	68,000	30,000		38,000	15,000	1,51,000
2	Other Non-Executive Directors	Mr. Ajit Thomas	Mrs. Shanthi Thomas (as Director upto 05.02.2015)	Mr. S. Rajasekar (expired on 24.03.2016)			
	Fee for attending board & committee meetings	50,000	Nil	45,000			95,000
	Commission	0	0	0			0
	Others, please specify	0	0	0			
	Total (2)	50,000	Nil	45,000			95,000
	Total (B)=(1+2)						2,46,000
	Total Managerial Remuneration A + B						30,62,800
	Overall Ceiling as per the Act	NOT APPLICABLE					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager - Mr. T.M. Harikumar - CS & CFO	Total Amount Rs.
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		13,29,800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		1,62,067
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		Nil
2	Stock Option		Nil
3	Sweat Equity		Nil
4	Commission - as % of profit - others, specify		Nil
5	Others, please specify - P.F & Gratuity		2,35,059
	Total		17,26,926

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016

INDEPENDENT AUDITORS' REPORT

To the members of Neelamalai Agro Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Neelamalai Agro Industries Limited ('the Company') which comprise the Balance Sheet as at 31-March-2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder .

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31-March-2016, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ('the Order'), issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of the written representations received from the directors as on 31-March-2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31-Mar-2016 from being appointed as a director in terms of Section 164 (2) of the Act.;
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in Annexure B; and

- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The company does not have any pending litigations which would impact its financial position
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

Chennai
30.05.2016

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

G. Rengarajan
Partner
Membership No. 219922

ANNEXURE A

To the members of Neelamalai Agro Industries Limited

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) Physical verification of major items of these assets has been conducted by the Management during the financial year and no material discrepancies were noticed on such verification. In our opinion, procedures followed by the management is reasonable having regards to the size of the Company and the nature of its assets.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the company.
- ii) The Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- iii) The Company has not granted any loans, secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly Para 3 (iii) (a), (b) & (c) of the Order are not applicable.
- iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made.
- v) The company has not accepted any deposits from the public during the year.
- vi) The Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under section 148 (1) (d) of the Companies Act, 2013 is not applicable to the company for the current year.
- vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service Tax, Customs duty, Excise duty, Value Added Tax, Cess and other statutory dues applicable to it. No undisputed statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) There are no disputed statutory dues.
- viii) The company has not defaulted in repayment of dues to banks.
- xi) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly Para 3 (xi) of the Order is not applicable.
- x) According to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) The Company is not a Nidhi Company. Accordingly Para 3 (xii) of the Order is not applicable.
- xiii) According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanation given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

G. Rengarajan
Partner

Chennai
30.05.2016

Membership No. 219922

ANNEXURE B

To the members of Neelamalai Agro Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of NEELAMALAI AGRO INDUSTRIES LIMITED (‘the Company’) as of 31-March-2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Chennai
30.05.2016

For **SURI & CO.**
Chartered Accountants
Firm No.004283S
G. Rengarajan
Partner
Membership No. 219922

BALANCE SHEET

As at 31 st March 2016

Particulars	Notes	Figures as at the end of 31.03.2016 Rs.	Figures as at the end of 31.03.2015 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	62,73,500	62,73,500
(b) Reserves and Surplus	3	<u>36,56,93,001</u>	<u>36,13,46,832</u>
		<u>37,19,66,501</u>	<u>36,76,20,332</u>
(2) Non - Current Liabilities			
(a) Long - Term Provisions	4	<u>16,052</u>	<u>2,67,586</u>
		<u>16,052</u>	<u>2,67,586</u>
(3) Current Liabilities			
(a) Short - Term Borrowings	5	Nil	24,54,149
(b) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	1,73,036		Nil
- Total outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises	<u>2,83,55,614</u>	<u>2,85,28,650</u>	<u>2,66,69,712</u>
(c) Other Current Liabilities		<u>1,87,03,032</u>	<u>1,40,21,011</u>
(d) Short - Term Provisions		<u>62,97,573</u>	<u>2,50,86,767</u>
		<u>5,35,29,255</u>	<u>6,82,31,639</u>
TOTAL		<u>42,55,11,808</u>	<u>43,61,19,557</u>
II. ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	6	<u>6,54,26,444</u>	<u>6,66,89,785</u>
		<u>6,54,26,444</u>	<u>6,66,89,785</u>
(b) Non - Current Investments	7	<u>8,68,78,786</u>	<u>9,58,98,786</u>
(2) Current Assets			
(a) Current Investments	8	16,11,03,291	16,81,22,906
(b) Inventories	9	3,00,25,115	3,32,95,857
(c) Trade Receivables	10	3,33,11,955	3,21,85,291
(d) Cash and Cash equivalents	11	2,30,27,700	1,38,57,078
(e) Short - Term Loans and Advances	12	2,34,16,335	2,39,97,106
(f) Other Current Assets		<u>23,22,182</u>	<u>20,72,748</u>
		<u>27,32,06,578</u>	<u>27,35,30,986</u>
Significant Accounting Policies	1		
TOTAL		<u>42,55,11,808</u>	<u>43,61,19,557</u>

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

Vide our report of date attached

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

G. Rengarajan

Place : Chennai

Date : 30.05.2016

Partner
Membership No. 219922

For and on behalf of the Board

Shanthi Thomas
Executive Director

Ajit Thomas
Chairman

T. M. Harikumar
Company Secretary & CFO

STATEMENT OF PROFIT AND LOSS

For the Year Ended 31st March 2016

Particulars	Notes	Figures for the year ended 31.03.2016 Rs.	Figures for the year ended 31.03.2015 Rs.
I Revenue from Operations	13	32,84,50,017	29,92,04,841
II Other Income	14	4,77,49,753	5,28,37,100
III Total Revenue	(I + II)	<u>37,61,99,770</u>	<u>35,20,41,941</u>
IV Expenses			
Cost of Material Consumed	15	7,79,68,915	6,95,86,491
Purchase of Stock - in - Trade	16	1,08,603	55,605
Increase (-) / Decrease (+) in Inventory	17	(+) 21,85,000	(-) 1,23,27,000
Other Manufacturing Expenses	18	4,87,01,771	4,65,53,262
Employee Benefits Expenses	19	13,12,81,871	11,71,45,598
Finance Cost	20	3,88,480	6,49,864
Depreciation and Amortisation Expense		1,07,44,818	1,16,13,867
Other Expenditure	21	6,47,71,757	5,74,63,271
Total Expense		<u>33,61,51,215</u>	<u>29,07,40,958</u>
V Profit before exceptional and extraordinary items and tax	(III - IV)	4,00,48,555	6,13,00,983
VI Exceptional / extraordinary items		Nil	Nil
VII Profit Before Tax	(V - VI)	<u>4,00,48,555</u>	<u>6,13,00,983</u>
VIII TAX EXPENSES			
Current Tax		34,00,000	
Add : MAT Credit Utilisation		<u>21,00,000</u>	80,00,000
Deferred Tax		Nil	Nil
IX Profit After Tax	(VII - VIII)	<u>3,45,48,555</u>	<u>5,33,00,983</u>
X Earnings per Share	26		
(1) Basic		55.07	84.96
(2) Diluted		55.07	84.96

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

Vide our report of date attached

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

G. Rengarajan

Place : Chennai
Date : 30.05.2016

Partner
Membership No. 219922

For and on behalf of the Board

Shanthi Thomas
Executive Director

Ajit Thomas
Chairman

T. M. Harikumar
Company Secretary & CFO

NOTES ON ACCOUNTS

for the year ended 31st March, 2016

NOTE : 1

A. ACCOUNTING POLICIES

I. ACCOUNTING CONVENTION

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles, accounting standards notified under section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

II. FIXED ASSETS AND DEPRECIATION

- a) Fixed Assets are stated at historical cost less depreciation. Cost includes, taxes and duties (but does not include taxes and duties for which CENVAT / VAT credit is available), freight and other direct or allocated expenses during construction period, net of any income earned. Assets acquired on Hire Purchase are capitalized at principal value
- b) Depreciation on tangible fixed assets has been charged as per the useful life specified in Schedule II of Companies Act 2013, except Assets costing individually less than Rs.5,000/- which are depreciated at 100 %. The residual value is considered at 5 % of the original cost of Fixed Assets. Depreciation for assets purchased/sold during the period is proportionately charged.
- c) Intangible assets amortized over their respective individual useful lives on straight line basis, commencing from the date the asset is available to the company for its use. Depreciation and Amortization methods, useful lives and residual value are reviewed periodically, including at each financial year end.

III. IMPAIRMENT OF ASSETS

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

IV. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset, upto the date of acquisition/completion of construction. Other borrowing costs are recognised as expense as and when incurred. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use of sale.

V. INVESTMENTS

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

VI. INVENTORIES

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

VII. REVENUE RECOGNITION

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

SALE OF GOODS

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

NOTES ON ACCOUNTS

for the year ended 31st March, 2016

NOTE : 1 (contd.)

A. ACCOUNTING POLICIES

INTEREST

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

DIVIDENDS

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

VIII. EMPLOYEE BENEFITS

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

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

IX. FOREIGN CURRENCY TRANSACTIONS

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

X. GOVERNMENT GRANTS

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue. Subsidies related to revenue are recognised in the Statement of Profit and Loss to match them with the related costs which they are intended to compensate.

XI. TAXES ON INCOME

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

XII. EARNINGS PER SHARE

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

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

NOTES ON ACCOUNTS

for the year ended 31st March, 2016

NOTE : 1 (contd.)

A. ACCOUNTING POLICIES

XIII. PROVISIONS

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

XIV. CONTINGENT LIABILITIES

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

XV. CONTINGENT ASSETS

Contingent Assets are neither recognised nor disclosed.

XVI. EXPENDITURE ON NEW PLANTING

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

XVII. EXPENDITURE ON REPLANTING

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

XVIII. CASH FLOW STATEMENT

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

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

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

NOTES FORMING PART
of the Balance Sheet as at 31st March 2016

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE : 2		
SHARE CAPITAL		
<i>a. 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
	1,25,00,000	1,25,00,000
<i>b. Issued, Subscribed and Paid - up</i>		
6,27,350 - Equity Shares of Rs.10/- each.	62,73,500	62,73,500
<i>c. Number of Shares at the beginning of the year</i>		
	6,27,350	6,27,350
Add / Less : Shares Issued / buyback etc	Nil	Nil
Number of shares at the end of the year	6,27,350	6,27,350
<i>d. Details of Shareholders holding more than 5% of equity shares as on 31.03.2016</i>		
	31.03.2016	31.03.2015
Name of Shareholder	No. of Shares held % of Holding	No. of Shares held % of Holding
Mr. Ajit Thomas	4,10,453 65.43%	4,10,353 65.41%

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

NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE : 3		
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	35,11,40,800	
Add : Transfer from Profit & Loss Account	<u>Nil</u>	
	35,11,40,800	35,11,40,800
<i>Surplus</i>		
Balance in Profit and Loss Account	3,45,48,555	5,33,00,983
Less : Adjustments relating to Fixed Assets	---	(2,45,651)
Add : Surplus Brought forward from previous year	<u>74,79,532</u>	<u>45,81,055</u>
	<u>4,20,28,087</u>	<u>5,76,36,387</u>
<i>Appropriations</i>		
Transfer to General Reserve	---	2,00,00,000
Interim dividend - I - paid on Equity shares @ Rs. 20/- per Share (Previous year - Rs. 20/- per Share)	1,25,47,000	1,25,47,000
Tax on Interim dividend	25,54,193	25,08,662
Interim dividend - II - paid on Equity shares @ Rs. 20/- per Share (Previous year - Nil)	1,25,47,000	---
Tax on Interim dividend	25,54,193	---
Proposed Final Dividend on Equity shares (Previous year @ Rs.20/- per share)	---	1,25,47,000
Provision for tax on final dividend	---	25,54,193
Net surplus in the statement of Profit & Loss	<u>1,18,25,701</u>	<u>74,79,532</u>
	<u>36,56,93,001</u>	<u>36,13,46,832</u>

NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE : 4		
NON CURRENT LIABILITIES		
<i>b. Long Term Provisions</i>		
<i>Provision for Employee benefits</i>		
For Gratuity	Nil	Nil
For Leave Encashment	16,052	2,67,586
	<u>16,052</u>	<u>2,67,586</u>
NOTE : 5		
CURRENT LIABILITIES		
<i>a. Short - Term borrowings</i>		
Cash Credit	Nil	24,54,149
(The Company's borrowing facilities comprising cash credit facility of Rs. 2,75,00,000 - Cash Credit at the interest rate of 1.15%, above base rate, Present base rate being @ 9.65%, Export Packing Credit at the rate of 0.5% above the rate of 9.65% and Export Packing Credit in foreign currency at the rate of 2.50% above the LIBOR -secured by hypothecation of stock-in-Trade, Standing Crops, Book Debts, Vehicles and also equitable mortgage of Katary Estate with Buildings thereon.)		
<i>b. Trade Payable</i>		
Sundry Creditors	2,85,28,650	2,66,69,712

NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<i>c. Other Current Liabilities</i>		
Investor Education and Protection Fund		
- Unpaid Dividend	1,71,73,997	1,29,75,085
Unpaid Preference Capital	2,24,110	2,25,110
Other current liabilities	13,04,925	8,20,816
	<u>1,87,03,032</u>	<u>1,40,21,011</u>
<i>d. Short - Term Provisions</i>		
<i>Provision for Employee benefits</i>		
For Leave Encashment	5,84,564	8,538
For Gratuity	15,56,268	43,02,141
<i>Other Provisions</i>		
For Taxation	41,56,741	56,74,895
For Proposed Dividend on Equity Shares	---	1,25,47,000
For Tax on Dividend	---	25,54,193
	<u>62,97,573</u>	<u>2,50,86,767</u>

NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 6

TANGIBLE ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2015 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2016 Rs.	Up to 31.03.2015 Rs.	For the year Rs.	Withdrawn Rs.	Upto 31.3.2016 Rs.	As at 31.3.2016 Rs.	As at 31.3.2015 Rs.
Freehold Land and Development	2,66,71,159	---	---	2,66,71,159	---	---	---	---	2,66,71,159	2,66,71,159
Buildings	3,81,03,184	---	---	3,81,03,184	2,05,11,057	19,64,342	---	2,24,75,399	1,56,27,785	1,75,92,127
Plant and Machinery	6,62,70,476	37,00,972	---	6,99,71,448	5,30,09,880	49,11,432	---	5,79,21,312	1,20,50,136	1,32,60,596
Furniture and Fittings	60,02,691	3,62,822	---	63,65,513	48,73,497	4,40,313	---	53,13,810	10,51,703	11,29,194
Vehicles	2,43,92,725	62,92,731	67,58,448	2,39,27,008	1,63,56,016	34,28,731	58,83,400	1,39,01,347	1,00,25,661	80,36,709
	16,14,40,235	1,03,56,525	67,58,448	16,50,38,312	9,47,50,450	1,07,44,818	58,83,400	9,96,11,868	6,54,26,444	6,66,89,785
Previous year	15,28,87,902	85,52,333	---	16,14,40,235	8,28,90,932	1,18,59,518	---	9,47,50,450	6,66,89,785	6,99,96,970

Note : The Company does not have any lease hold property.

NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 7

Non Current Investments - At Cost

Description	As on 01.04.2015			Additions			Deductions			As on 31.03.2016	
	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.	
1. SHARES IN COMPANIES - LONG TERM - AT COST : (#)											
(A) EQUITY SHARES (FULLY PAID): ASSOCIATE COMPANIES											
(i) QUOTED :											
AVT Natural Products Ltd. (Face value Re.1/-)	6,09,13,600	2,58,96,668							6,09,13,600	2,58,96,668	
(ii) UNQUOTED : (*)											
AVT McCormick Ingredients Pvt. Ltd.	31,50,000	3,15,00,000							31,50,000	3,15,00,000	
Midland Corporate Advisory Services Pvt Ltd.	2,50,000	25,00,000							2,50,000	25,00,000	
Midland Natural Pte Ltd. (US \$ 1/Share)	2,00,000	90,20,000			2,00,000	90,20,000			---	---	
L. J. International Ltd.	64	313							64	313	
		4,30,20,313								3,40,00,313	
2. IN IMMOVABLE PROPERTIES											
Value of Land		2,69,81,805								2,69,81,805	
		9,58,98,786								8,68,78,786	
(1) Aggregate amount of Quoted investments (Market Value - Rs. 1,70,55,80,800/- Previous year Rs. 1,64,77,12,880/-)											
(2) Aggregate amount of Unquoted investments											
(3) Aggregate amount of immovable properties											
(*) The right to transfer shares is restricted under Section 2 (68) (i) of the Companies Act, 2013, being Private Limited Companies.											
(#) Face value of Equity Shares is Rs. 10/- fully paid up unless otherwise stated.											

NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 8

Current Investments - Lower of Cost and Fair Value

Description	As on 01.04.2015			Additions			Deductions			As on 31.03.2016		
	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.		
1. SHARES IN COMPANIES - SHORT TERM - AT COST : (#)												
(A) EQUITY SHARES - QUOTED:												
Tata Consultancy Services Ltd. (Re. 1/- share)	2,432	5,16,800							2,432	5,16,800		
Great Eastern Shipping Co. Ltd.	1,800	4,95,347							1,800	4,95,347		
IL & FS Investment Managers Ltd. (Formerly IL & FS Venture Corporation Ltd)	24,150	5,04,566							24,150	5,04,566		
IL & FS Transportation Networks Ltd.	1,000	2,25,883							1,000	2,25,883		
Noida Toll Bridge Co. Ltd.	18,400	4,75,961			18,400	4,75,961						
Escorts Ltd.	10,080	8,88,006			10,080	8,88,006						
MOIL Limited	1,840	6,03,461							1,840	6,03,461		
Piramal Enterprises Ltd. (Formerly Piramal Healthcare Ltd)	1,720	6,95,173							1,720	6,95,173		
JK Paper Ltd.	3,200	1,50,903										
E.L.D Parry (India) Ltd.	1,080	1,98,556			3,200	1,50,903			1,080	1,98,556		
Gateway Striparks Ltd.	335	34,454							335	34,454		
Engineers India Ltd.	680	1,00,383							680	1,00,383		
Nesco Ltd.	110	88,001							110	88,001		
Bajaj Fin Service Ltd.	50	46,151							50	46,151		
Infosys Ltd.	60	98,315							60	98,315		
NMDC Ltd.	570	1,00,368							570	1,00,368		
Control Print Ltd.	570	49,812							570	49,812		
Bombay Stock Exchange Ltd.	18,445	39,20,000							18,445	39,20,000		
Catholic Syrian Bank Ltd.	8,065	12,50,000							8,065	12,50,000		
Tata Sponge Iron Ltd.	75	50,700							75	50,700		
IPCA Laboratories Ltd.	200	1,58,158										
Lakshmi Machines Works Ltd.	26	1,01,342										
Phoenix Lamps Ltd	1,555	1,50,920							1,555	1,50,920		
Ambika Cotton Mills Ltd	130	98,155							130	98,155		
Hero Motocorp Ltd	38	99,664							38	99,664		
IDFC Ltd	600	1,00,248										
Sriram Transport Finance Ltd.			380	3,01,397								
Tata Motors Ltd.			300	1,01,344								
TVS Srichakra Ltd.			17	47,799								
Sriram City Union Finance Ltd.			83	1,24,747								
		1,12,01,327		5,75,287		16,73,028		1,01,03,586				

NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 8

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

Description	As on 01.04.2015			Additions			Deductions			As on 31.03.2016		
	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. MUTUAL FUNDS (QUOTED)												
ICICI Prudential Flexible Income Plan Daily Dividend	2,55,371	2,70,01,903	29,005	30,66,782	2,84,376	3,00,68,685	---	---	---	---		
Templeton India Ultra short Bond Fund	39,76,944	3,98,88,993	1,07,679	10,85,325	40,84,623	4,09,74,318	---	---	---	---		
BSLMNC - D	18,755	20,00,000					18,755	20,00,000				
ICICI Prudential Recovery - D	79,711	20,00,000					79,711	20,00,000				
ICICI Prudential top 100 - D	1,22,699	20,00,000					1,22,699	20,00,000				
IDFC Sterling Equity Fund	1,27,697	20,00,000					1,27,697	20,00,000				
Reliance Equity Opportunities	67,501	20,00,000					67,501	20,00,000				
ICICI Pru Short Term Growth	20,90,633	5,00,00,000					20,90,633	5,00,00,000				
ICICI Pru Equity Arbitrage Fund	5,47,224	75,30,683	37,312	5,13,375			5,84,536	80,44,058				
IDFC Arbitrage Fund	12,07,214	1,50,00,000	65,242	8,16,223			12,72,456	1,58,16,223				
Kotak Equity Arbitrage Fund	6,98,799	75,00,000	49,704	5,33,459			7,48,503	80,33,459				
ICICI Prudential Flexible Income Regular Plan - Growth			3,09,112	8,54,68,685	2,51,839	6,92,39,364						
IDFC Ultra Short Term Fund - Growth			20,30,101	4,11,70,238					20,30,101	4,11,70,238		
Goldman Sachs Liquid Exchange Traded Scheme			2,188	21,35,261	428	4,28,855			1,760	17,06,406		
		15,69,21,579		13,47,89,348		14,07,11,222				15,09,99,705		
		16,81,22,906		13,53,64,635		14,23,84,250				16,11,03,291		

31.03.2016

31.03.2015

(1) Aggregate amount of Quoted investments

(Market Value - Rs. 18,54,39,616/- Previous year Rs. 18,80,81,649/-)

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

(##) Increase in share represents Bonus issue in the ratio of 1:1 received during the year.

(###) Increase in share represents Bonus issue in the ratio of 2:1 received during the year.

NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE : 9		
INVENTORIES		
(Valued at lower of cost and net realisable value)		
Stores and Spares	50,90,115	61,75,857
Stock in Trade	2,49,35,000	2,71,20,000
	<u>3,00,25,115</u>	<u>3,32,95,857</u>
NOTE : 10		
TRADE RECEIVABLES		
Considered good - Unsecured:		
(a) Trade receivable outstanding for more than six months from the date they become due for payment	Nil	Nil
(b) Other receivable	3,33,11,955	3,21,85,291
	<u>3,33,11,955</u>	<u>3,21,85,291</u>
NOTE : 11		
CASH AND CASH EQUIVALENTS		
Cash and stamps on hand	73,034	48,095
Bank balances with Scheduled Banks		
In Current Account	55,56,559	6,08,788
	<u>56,29,593</u>	<u>6,56,883</u>
In Dividend / Capital Refund Account	1,73,98,107	1,32,00,195
	<u>1,73,98,107</u>	<u>1,32,00,195</u>
	<u>2,30,27,700</u>	<u>1,38,57,078</u>
Bank deposit with more than 12 months Maturity	Nil	Nil
	<u>Nil</u>	<u>Nil</u>
NOTE : 12		
SHORT - TERM LOANS AND ADVANCES		
Considered good - Unsecured		
Advances recoverable in cash or in kind or for value to be received		
- Debts due by Officers of the Company	Nil	Nil
- Others	48,77,808	30,24,089
Deposits:		
(a) With NABARD under Tea Development Scheme	13,32,650	24,32,650
(b) Other Deposits	14,38,238	13,30,400
Other Loans and Advances		
Tax payments pending adjustment	47,67,639	41,09,967
MAT Credit Entitlement	1,10,00,000	1,31,00,000
	<u>2,34,16,335</u>	<u>2,39,97,106</u>

NOTES FORMING PART OF THE STATEMENT
of Profit and Loss for the year ended 31st March 2016

	For year ended 31.03.2016 Rs.	For year ended 31.03.2015 Rs.
NOTE : 13		
REVENUE FROM OPERATIONS		
a) Sale of Products		
Tea	30,38,83,362	27,93,06,758
Tea Waste	65,15,500	41,16,000
Tea Subsidy	1,01,94,465	33,43,763
Exchange Fluctuations	5,64,966	7,10,943
b) Other Operating Revenue		
Sale of Import Entitlements	50,49,083	97,32,181
Duty Drawback	22,42,641	19,95,196
	<u>32,84,50,017</u>	<u>29,92,04,841</u>
NOTE : 14		
OTHER INCOME		
Income from Investments		
(i) Long Term	3,36,06,864	4,27,44,480
(ii) Current	50,25,422	76,64,252
Interest Received	1,07,101	4,49,744
Profit / (Loss) on Sales of Current Investments	20,66,344	15,18,735
Profit on Liquidation of Associates	40,03,222	---
Insurance Claim Received	28,98,000	---
Miscellaneous Receipts	42,800	4,59,889
	<u>4,77,49,753</u>	<u>5,28,37,100</u>

NOTES FORMING PART OF THE STATEMENT
of Profit and Loss for the year ended 31st March 2016 (contd..)

	For year ended 31.03.2016 Rs.	For year ended 31.03.2015 Rs.
NOTE : 15		
COST OF MATERIAL CONSUMED		
Consumption of Raw material - Bought Leaf	7,79,68,915	6,95,86,491
NOTE : 16		
PURCHASE OF TRADED GOODS		
Tea	1,08,603	55,605
NOTE : 17		
INCREASE / DECREASE IN INVENTORY		
<i>Inventory at the beginning of the year :</i>		
Tea	2,71,20,000	1,47,93,000
<i>Inventory at the end of the year :</i>		
Tea	2,49,35,000	2,71,20,000
(+)	<u>(21,85,000)</u>	(-) <u>1,23,27,000</u>
NOTE : 18		
OTHER MANUFACTURING EXPENSES		
Consumption of Stores and Spares	2,13,29,323	1,97,53,590
Power and Fuel	2,44,82,832	2,41,46,491
Repairs and Maintenance	28,89,616	26,53,181
	<u>4,87,01,771</u>	<u>4,65,53,262</u>
NOTE : 19		
EMPLOYEE BENEFIT EXPENSES		
Salaries Wages and Bonus	11,53,51,813	9,97,27,284
Contribution to Provident and Other Funds	98,74,601	90,84,481
Provision for Gratuity (Refer Note 30)	15,56,268	43,02,141
Provision for Leave Encashment (Refer Note 30)	3,24,492	1,12,364
Welfare Expenses	41,74,697	39,19,328
	<u>13,12,81,871</u>	<u>11,71,45,598</u>
NOTE : 20		
FINANCE COST		
Interest	<u>3,88,480</u>	<u>6,49,864</u>

NOTES FORMING PART OF THE STATEMENT
of Profit and Loss for the year ended 31st March 2016 (contd..)

	For year ended 31.03.2016 Rs.	For year ended 31.03.2015 Rs.
NOTE : 21		
OTHER EXPENSES		
Rent and Amenities	20,47,200	20,47,200
Repairs and Maintenance:		
Roads and Buildings	1,32,42,320	1,09,12,090
Vehicles	58,20,045	52,45,834
Others	3,17,983	1,67,296
Insurance	8,94,777	8,15,218
Rates and Taxes	14,14,684	19,73,285
Payment to Auditors		
For Audit	7,00,000	6,00,000
For Certification / Tax Audit	1,52,500	1,35,000
For Tax Representation	1,90,000	1,80,000
For Travelling and other Expenses	1,10,000	1,07,500
For Other Service	11,500	11,500
For Service Tax	1,62,547	1,27,803
Transport and warehousing	1,15,10,620	98,79,201
Brokerage and Commission	87,60,839	83,82,940
Travelling Expenses	56,91,270	48,66,689
Legal and Professional Expenses	53,43,823	48,15,064
Postage and Telephones	9,56,028	8,49,615
Printing and Stationery	6,70,084	5,13,493
Bank Charges	1,95,918	2,87,404
Directors' Sitting Fees	2,46,000	3,05,000
Advertisement and Sales Promotion	1,22,831	1,19,764
Loss on sale of Asset	8,68,291	---
Miscellaneous Expenses	53,42,497	51,21,375
	<u>6,47,71,757</u>	<u>5,74,63,271</u>

NOTES ON ACCOUNTS
for the year ended 31st March 2016 (contd.)

	Year ended 31.03.2016 Rs.	Year ended 31.03.2015 Rs.
--	---------------------------------	---------------------------------

NOTE : 22

PARTICULARS OF CONSUMPTION (in Rupees)

	Value in Rs.	%	Value in Rs.	%
(a) Rawmaterials - Bought Leaf				
Indigenous	7,79,68,915	100	6,95,86,491	100
(b) Stores and Spares:				
Indigenous	2,12,80,381	100	1,97,53,590	100
Imported	48,942		---	
	2,13,29,323	100	1,97,53,590	100

NOTE : 23

EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

a) Earnings		
FOB Value of Exports	21,70,87,298	18,89,63,971

NOTE : 24

EXPENDITURE IN FOREIGN CURRENCY

a) Testing Fee	23,890	5,21,950
b) Travelling Expenses	17,55,533	9,88,549
c) Registration Fee	1,75,824	2,22,280

NOTE : 25

DUE TO MICRO AND SMALL ENTERPRISES

Based on the information available with the Company, the Principal amount due to Micro and Small enterprises as on 31.03.2016 is Rs. 1,73,036/- (Previous year Nil). There are no overdue principal amounts and therefore no interest is paid or payable.

NOTE : 26

EARNINGS PER SHARE

Profit after Taxation	3,45,48,555	5,33,00,983
Number of Equity Shares outstanding at the end of the year	6,27,350	6,27,350
Basic EPS	55.07	84.96
Diluted EPS	55.07	84.96

NOTE : 27

CONTINGENT LIABILITY

Contracts remaining to be executed on Capital Account	2,80,000	---
---	----------	-----

The retrospective effect from 01.04.2014 of the operations and implementations of the Payment of Bonus (Amendment) Act, 2015 has been stayed by Hon. High Court of Madras. Considering the same, the Company has not provided for the additional liability during the year

NOTES ON ACCOUNTS
for the year ended 31st March 2016 (contd.)

NOTE : 28

SEGMENT REPORTING

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

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

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

Secondary Segment Reporting

Particulars	Domestic Rs.	Export Rs.	Total Rs.
Revenue by Geographical Segment	8,52,93,132 (8,88,35,552)	21,85,90,230 (19,04,71,206)	30,38,83,362 (27,93,06,758)
Sundry Debtors	37,98,328 (1,09,34,527)	2,95,13,627 (2,12,50,764)	3,33,11,955 (3,21,85,291)

NOTE : 29

ACCOUNTING FOR TAXES ON INCOME

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

NOTES ON ACCOUNTS
for the year ended 31st March 2016 (contd.)

NOTE : 30

EMPLOYEE BENEFITS

i) Defined Benefit Plans

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

i) Gratuity Scheme

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

ii) Leave Encashment

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

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

	As on 31.03.2016		As on 31.03.2015	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
Present Value of the Obligation as on 01.04.2015	3,83,73,911	2,76,124	3,28,13,327	1,63,760
Current Service Cost	37,66,906	1,85,280	34,15,648	1,10,580
Interest Cost	29,00,852	16,880	29,12,070	10,159
Benefits Paid	(23,67,007)	(1,19,433)	(16,25,125)	(1,04,255)
Actuarial loss / (gain)	(16,18,866)	2,41,765	8,57,991	95,880
Present Value of the Obligation as on 31.03.2016	<u>4,10,55,796</u>	<u>6,00,616</u>	<u>3,83,73,911</u>	<u>2,76,124</u>

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

Fair Value of Plan Assets as on 01.04.2015	3,40,71,770	Nil	2,66,89,984	Nil
Expected return on plan assets	30,91,200	Nil	25,50,100	Nil
Contribution by the Company	48,80,388	1,19,433	65,33,343	1,04,255
Benefits Paid	(23,67,007)	(1,19,433)	(16,25,125)	(1,04,255)
Actuarial gain / (Loss)	(1,76,823)	Nil	(76,532)	Nil
Fair Value of Plan Assets as on 31.03.2016	<u>3,94,99,528</u>	<u>Nil</u>	<u>3,40,71,770</u>	<u>Nil</u>

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

Current Service Cost	37,66,906	1,85,280	34,15,648	1,10,580
Interest Cost	29,00,852	16,880	29,12,070	10,159
Expected return on plan assets	(30,91,200)	---	(25,50,100)	---
Net Actuarial (gain) / loss recognised in the year	<u>(14,42,043)</u>	<u>2,41,765</u>	<u>9,34,523</u>	<u>95,880</u>
	<u>21,34,515</u>	<u>4,43,925</u>	<u>47,12,141</u>	<u>2,16,619</u>

NOTES ON ACCOUNTS
for the year ended 31st March 2016 (contd.)

NOTE : 30

EMPLOYEE BENEFITS (Contd.)

	As on 31.03.2016		As on 31.03.2015	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
e) Reconciliation of Net Liability recognised in the Balance Sheet				
Net Liability as at the beginning of the year	43,02,141	2,76,124	61,23,343	1,63,760
Add : Expense as (d) above	21,34,515	4,43,925	47,12,141	2,16,619
Less : Employer's Contribution / Payment	(48,80,388)	(1,19,433)	(65,33,343)	(1,04,255)
Net Liability as at the end of the year	15,56,268	6,00,616	43,02,141	2,76,124
f) Constitution of Plan Assets				
Investments in LIC Group Gratuity Scheme	3,94,99,528	N.A.	3,40,71,770	N.A.
g) Principal actuarial assumptions used as at the Balance Sheet Date				
Discount Rate	8.0 %	8.0 %	7.8 %	7.8 %
Salary Escalation Rate	2 %	2 %	3 %	3 %
Attrition Rate	1 %	1 %	2 %	2 %
Expected rate of return on plan assets	8.75 %	N.A.	8.75 %	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:

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Gratuity funded plan					
Defined Benefit Obligation	4,10,55,796	3,83,73,911	3,28,13,327	2,68,26,684	2,55,64,412
Plan Assets	3,94,99,528	3,40,71,770	2,66,89,984	2,50,69,954	2,58,68,440
Surplus / (Deficit)	(15,56,268)	(43,02,141)	(61,23,343)	(17,56,730)	3,04,028
Experience adjustment - Plan Liability	(16,18,866)	8,57,991	31,31,863	(2,28,759)	9,01,800
Experience adjustment - Plan Assets	(1,76,823)	(76,532)	---	---	(2,17,008)

The Company expects to fund Rs. 20/- lakhs towards its Gratuity Plan during the year 2016 - 2017.

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. 89,58,897/- as expense towards contributions to these plans.

NOTES ON ACCOUNTS
for the year ended 31st March 2016 (contd.)

NOTE : 31

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 & Co. Ltd. - A. V. Thomas International Ltd. - L. J. International Ltd. - A. V. Thomas Investments Company Ltd. - The Nelliampathy Tea & Produce Co. Ltd. - The Midland Rubber & Produce Co. Ltd. - A V T Natural Products Ltd. - AVT McCormick Ingredients Private Ltd. - IQ Tech Private Ltd. - Teleflex Medical Private Ltd. - J. Thomas Educational & Benevolent Trust - Midland Natural Pte. Ltd. (Liquidated during the year) | <ul style="list-style-type: none"> - AVT Holdings Private Ltd. - A. V. Thomas Leather and Allied Products Pvt. Ltd. - A. V. Thomas Exports Ltd. - Midland Latex Products Ltd. - Sermatech Private Ltd. - Aspera Logistics Private Ltd. - Midland Corporate Advisory Services (P) Ltd. - AVT Natural Pte. Ltd. (Liquidated during the year) - AVT Gavia Foods Private Ltd. - Midland Charitable Trust - AVT Tea Services Ltd. UK - AVT Tea Services North America LLC, USA |
|---|---|

Key Management Personnel :

- Mr. Ajit Thomas, Chairman
Mrs. Shanthi Thomas, Executive Director
Mr. S. Rajasekar, Director (Till date 24.03.2016)
Mr. T. M. Hairkumar, Company Secretary & CFO

Details of Transaction	Year ended 31.3.2016		Year ended 31.3.2015	
	Associates	Key Management Personnel (including relatives)	Associates	Key Management Personnel (including relatives)
INCOME				
Sales	1,87,103		1,64,66,165	
Dividend Received	3,36,06,864		4,27,44,480	
Repatriation of Investment	40,03,222		---	
EXPENDITURE				
Warehousing / C&F Charges	2,42,892		1,09,966	
Sitting Fees		95,000		1,30,000
Professional Charges	11,62,080		9,98,880	
Dividend paid		2,46,25,180		2,46,21,180
Donations Paid	25,00,000		25,00,000	
Remuneration		44,93,326		25,36,285
BALANCE AS ON 31.3.2016				
Debit Balances	79,115		59,989	
Credit Balances	Nil		Nil	

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

Vide our report of date attached

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

G. Rengarajan

Place : Chennai
Date : 30.05.2016

Partner
Membership No. 219922

For and on behalf of the Board

Shanthi Thomas
Executive Director

Ajit Thomas
Chairman

T. M. Harikumar
Company Secretary & CFO

CASH FLOW STATEMENT
For the year ended 31st March 2016

	Year ended 31.03.2016 Rs	Year ended 31.03.2015 Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	4,00,48,555	6,13,00,983
Adjustments for:		
Depreciation	1,07,44,818	1,16,13,867
Profit / Loss on sale of Investments	(20,66,344)	(15,18,735)
Profit / Loss on sale of Assets	8,68,291	---
Profit / Loss on Liquidation of Associates	(40,03,222)	---
Provision for Gratuity	15,56,268	43,02,141
Provision for Leave Encashment	6,00,616	2,76,124
Interest / Dividend Received	(3,87,39,387)	(5,08,58,476)
Insurance claim Received	(28,98,000)	---
Interest Paid	<u>3,88,480</u>	6,49,864
	<u>(3,35,48,480)</u>	
Operating Profit before working capital changes	65,00,075	2,57,65,768
Adjustments for:		
Trade and other Receivables	(11,26,664)	52,25,610
Inventories	32,70,742	(1,46,23,219)
Trade Payables	(22,35,218)	(39,48,792)
Other Current Assets	<u>(8,61,557)</u>	(8,80,273)
	<u>(9,52,697)</u>	
Cash generated from operations	55,47,378	1,15,39,094
Direct Taxes Paid	<u>(55,75,826)</u>	<u>(40,05,456)</u>
Cash Flow before Extraordinary items	(28,448)	75,33,638
Extraordinary Items	Nil	Nil
Net Cash From Operating Activities	<u>(28,448)</u>	<u>75,33,638</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,03,56,525)	(85,52,333)
Purchase of Investments	(13,53,64,635)	(15,17,89,499)
Sale of Investments	14,44,50,594	15,40,15,332
Sale of Fixed Assets - Claim Received	29,04,757	Nil
Liquidation of Investments in Associates	1,30,23,222	Nil
Interest Received	(1,42,333)	7,32,366
Dividend Received	<u>3,86,32,286</u>	<u>5,04,08,732</u>
Net Cash from / (used in) Investing Activities	<u>5,31,47,366</u>	<u>4,48,14,598</u>

CASH FLOW STATEMENT

For the year ended 31st March 2016 (contd.)

	Year ended 31.03.2016 Rs	Year ended 31.03.2015 Rs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash Credit	(24,54,149)	(70,24,571)
Interest Paid	(3,88,480)	(6,49,864)
Dividend Paid	<u>(4,53,03,579)</u>	<u>(4,44,14,387)</u>
Net Cash used in Financing Activities	<u>(4,81,46,208)</u>	<u>(5,20,88,822)</u>
	<u>49,72,710</u>	<u>2,59,414</u>
Net Decrease in cash and cash equivalents		
Cash and cash equivalents as at 01.04.2015 (Opening Balance)	6,56,883	3,97,469
Cash and cash equivalents as at 31.03.2016 (Closing Balance)	56,29,593	6,56,883
	<u>49,72,710</u>	<u>2,59,414</u>

Vide our report of date attached

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

G. Rengarajan

Partner

Membership No. 219922

Place : Chennai
Date : 30.05.2016

For and on behalf of the Board

Shanthi Thomas
Executive Director

Ajit Thomas
Chairman

T. M. Harikumar
Company Secretary & CFO

CONSOLIDATED STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the members of Neelamalai Agro Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Neelamalai Agro Industries Limited ('the Holding Company') and its associates (collectively referred to as 'the Group'), comprising of the Consolidated Balance Sheet as at 31-March-2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company and of its associates included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31-March-2016, and its Consolidated Profit and their cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors of the Holding Company as on 31-March-2016, and taken on record by the Board of Directors of the Holding Company and its associate companies incorporated in India none of the directors of the Group and its associate

companies is disqualified as on 31-March-2016 from being appointed as a director in terms of Section 164 (2) of the Act.;

- f. with respect to the adequacy of the internal financial controls over financial reporting of the Group, its associates and the operating effectiveness of such controls, refer our separate report in Annexure A and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its consolidated financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

G. Rengarajan
Partner
Membership No. 219922

Chennai
30.05.2016

A N N E X U R E A

To the members of Neelamalai Agro Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31-March-2016 we have audited the internal financial controls over financial reporting of NEELAMALAI AGRO INDUSTRIES LIMITED (hereinafter referred to as ‘The Holding Company’) and its associate companies which are incorporated in India as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its associate companies, which are companies incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

G. Rengarajan
Partner
Membership No. 219922

Chennai
30.05.2016

CONSOLIDATED BALANCE SHEET

As at 31 st March 2016

Particulars	Notes	Figures as at the end of 31.03.2016 Rs.	Figures as at the end of 31.03.2015 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	62,73,500	62,73,500
(b) Reserves and Surplus	3	<u>1,09,21,72,412</u>	<u>1,03,29,78,585</u>
		<u>1,09,84,45,912</u>	<u>1,03,92,52,085</u>
(2) Non - Current Liabilities			
(a) Long - Term Provisions	4	<u>16,052</u>	<u>2,67,586</u>
		<u>16,052</u>	<u>2,67,586</u>
(3) Current Liabilities			
(a) Short - Term Borrowings	5	Nil	24,54,149
(b) Trade Payables			
- Total outstanding dues of Micro Enterprises and Small Enterprises	1,73,036		Nil
- Total outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises	<u>2,83,55,614</u>	<u>2,85,28,650</u>	<u>2,66,69,712</u>
(c) Other Current Liabilities		<u>1,87,03,032</u>	<u>1,40,21,011</u>
(d) Short - Term Provisions		<u>62,97,573</u>	<u>2,50,86,767</u>
		<u>5,35,29,255</u>	<u>6,82,31,639</u>
TOTAL		<u>1,15,19,91,219</u>	<u>1,10,77,51,310</u>
II. ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	6	<u>6,54,26,444</u>	<u>6,66,89,785</u>
		<u>6,54,26,444</u>	<u>6,66,89,785</u>
(b) Non - Current Investments	7	<u>81,33,58,197</u>	<u>76,75,30,539</u>
(2) Current Assets			
(a) Current Investments	8	16,11,03,291	16,81,22,906
(b) Inventories	9	3,00,25,115	3,32,95,857
(c) Trade Receivables	10	3,33,11,955	3,21,85,291
(d) Cash and Cash equivalents	11	2,30,27,700	1,38,57,078
(e) Short - Term Loans and Advances	12	2,34,16,335	2,39,97,106
(f) Other Current Assets		<u>23,22,182</u>	<u>20,72,748</u>
		<u>27,32,06,578</u>	<u>27,35,30,986</u>
Significant Accounting Policies	1		
TOTAL		<u>1,15,19,91,219</u>	<u>1,10,77,51,310</u>

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

Vide our report of date attached

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

G. Rengarajan

Place : Chennai

Date : 30.05.2016

Partner
Membership No. 219922

For and on behalf of the Board

Shanthi Thomas
Executive Director

Ajit Thomas
Chairman

T. M. Harikumar
Company Secretary & CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year Ended 31st March 2016

Particulars	Notes	Figures for the year ended 31.03.2016 Rs.	Figures for the year ended 31.03.2015 Rs.
I Revenue from Operations	13	32,84,50,017	29,92,04,841
II Other Income	14	1,72,92,953	1,32,43,260
III Total Revenue	(I + II)	<u>34,57,42,970</u>	<u>31,24,48,101</u>
IV Expenses			
Cost of Material Consumed	15	7,79,68,915	6,95,86,491
Purchase of Stock - in - Trade	16	1,08,603	55,605
Increase (-) / Decrease (+) in Inventory	17	(+) 21,85,000	(-) 1,23,27,000
Other Manufacturing Expenses	18	4,87,01,771	4,65,53,262
Employee Benefits Expenses	19	13,12,81,871	11,71,45,598
Finance Cost	20	3,88,480	6,49,864
Depreciation and Amortisation Expense		1,07,44,818	1,16,13,867
Other Expenditure	21	6,47,71,757	5,74,63,271
Total Expense		<u>33,61,51,215</u>	<u>29,07,40,958</u>
V Profit before exceptional and extraordinary items and tax	(III - IV)	95,91,755	2,17,07,143
VI Exceptional / extraordinary items		Nil	Nil
VII Profit Before Tax	(V - VI)	<u>95,91,755</u>	<u>2,17,07,143</u>
VIII TAX EXPENSES			
Current Tax		34,00,000	
Add : MAT Credit Utilisation		<u>21,00,000</u>	80,00,000
Deferred Tax		Nil	Nil
Share of Profit / (Loss) of Associate Companies		<u>8,53,04,457</u>	<u>10,49,82,440</u>
IX Profit After Tax	(VII - VIII)	<u>8,93,96,212</u>	<u>11,86,89,583</u>
X Earnings per Share	26		
(1) Basic		142.50	189.19
(2) Diluted		142.50	189.19

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

Vide our report of date attached

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

G. Rengarajan

Place : Chennai
Date : 30.05.2016

Partner
Membership No. 219922

For and on behalf of the Board

Shanthi Thomas
Executive Director

Ajit Thomas
Chairman

T. M. Harikumar
Company Secretary & CFO

CONSOLIDATED NOTES ON ACCOUNTS

for the year ended 31st March, 2016

NOTE : 1

A. ACCOUNTING POLICIES

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

II. PRINCIPLES OF CONSOLIDATION

The financial statements of Neelamalai Agro Industries Limited is consolidated with Associates a) AVT Natural Products Ltd. (40% shareholding), b) Midland Corporate Advisory Services Private Limited (32.89% shareholding) and c) Midland Natural PTE Limited (33.33% shareholding, Liquidated during the year).

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting as laid under Accounting Standard (AS) 23, "Accounting for Investment in Associate in Consolidated Financial Statements". The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the acquisition date. The group's investment in Associates includes goodwill identified on acquisition.

III. FIXED ASSETS AND DEPRECIATION

- a) Fixed Assets are stated at historical cost less depreciation. Cost includes, taxes and duties (but does not include taxes and duties for which CENVAT / VAT credit is available), freight and other direct or allocated expenses during construction period, net of any income earned. Assets acquired on Hire Purchase are capitalized at principal value
- b) Depreciation on tangible fixed assets has been charged as per the useful life specified in Schedule II of Companies Act 2013, except Assets costing individually less than Rs.5,000/- which are depreciated at 100 %. The residual value is considered at 5 % of the original cost of Fixed Assets. Depreciation for assets purchased/sold during the period is proportionately charged.
- c) Intangible assets amortized over their respective individual useful lives on straight line basis, commencing from the date the asset is available to the company for its use. Depreciation and Amortization methods, useful lives and residual value are reviewed periodically, including at each financial year end.

IV. IMPAIRMENT OF ASSETS

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

V. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of the asset, upto the date of acquisition/completion of construction. Other borrowing costs are recognised as expense as and when incurred. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use of sale.

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. Investment in immovable properties is stated at cost less depreciation.

CONSOLIDATED NOTES ON ACCOUNTS

for the year ended 31st March, 2016

NOTE : 1 (contd.)

A. ACCOUNTING POLICIES

VII. INVENTORIES

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

VIII. REVENUE RECOGNITION

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

SALE OF GOODS

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

INTEREST

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

DIVIDENDS

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

IX. EMPLOYEE BENEFITS

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

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

X. FOREIGN CURRENCY TRANSACTIONS

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

XI. GOVERNMENT GRANTS

Subsidies from Government in respect of fixed assets are deducted from the cost of respective assets as and when they accrue. Subsidies related to revenue are recognised in the Statement of Profit and Loss to match them with the related costs which they are intended to compensate.

XII. TAXES ON INCOME

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

CONSOLIDATED NOTES ON ACCOUNTS

for the year ended 31st March, 2016

NOTE : 1 (contd.)

A. ACCOUNTING POLICIES

XIII. EARNINGS PER SHARE

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

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

XIV. PROVISIONS

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

XV. CONTINGENT LIABILITIES

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

XVI. CONTINGENT ASSETS

Contingent Assets are neither recognised nor disclosed.

XVII. 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".

XVIII. EXPENDITURE ON REPLANTING

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

XIX. CASH FLOW STATEMENT

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

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

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

CONSOLIDATED NOTES FORMING PART
of the Balance Sheet as at 31st March 2016

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.		
NOTE : 2				
SHARE CAPITAL				
<i>a. 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>b. Issued, Subscribed and Paid - up</i>				
6,27,350 - Equity Shares of Rs.10/- each.	<u>62,73,500</u>	<u>62,73,500</u>		
<i>c. Number of Shares at the beginning of the year</i>				
	6,27,350	6,27,350		
Add / Less : Shares Issued / buyback etc	Nil	Nil		
Number of shares at the end of the year	6,27,350	6,27,350		
<i>d. Details of Shareholders holding more than 5% of equity shares as on 31.03.2016</i>				
	31.03.2016		31.03.2015	
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Ajit Thomas	4,10,453	65.43%	4,10,353	65.41%

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

CONSOLIDATED NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE : 3		
RESERVES AND SURPLUS		
<i>Capital Redemption Reserve</i>		
As per last Balance Sheet	27,26,500	27,26,500
Capital Reserve	14,000	14,000
<i>General Reserve</i>		
As per last Balance Sheet	86,25,24,021	
Add : Transfer from Profit & Loss Account	<u>Nil</u>	
	86,25,24,021	86,25,24,021
<i>Surplus</i>		
Balance in Profit and Loss Account	8,93,96,212	11,86,89,583
Less : Adjustments relating to Fixed Assets	---	(2,45,651)
Add : Surplus Brought forward from previous year	<u>16,77,14,064</u>	<u>9,94,26,987</u>
	<u>25,71,10,276</u>	<u>21,78,70,919</u>
<i>Appropriations</i>		
Transfer to General Reserve	---	2,00,00,000
Interim dividend - I - paid on Equity shares @ Rs. 20/- per Share (Previous year - Rs. 20/- per Share)	1,25,47,000	1,25,47,000
Tax on Interim dividend	25,54,193	25,08,662
Interim dividend - II - paid on Equity shares @ Rs. 20/- per Share (Previous year - Nil)	1,25,47,000	---
Tax on Interim dividend	25,54,193	---
Proposed Final Dividend on Equity shares (Previous year @ Rs.20/- per share)	---	1,25,47,000
Provision for tax on final dividend	---	25,54,193
Net surplus in the statement of Profit & Loss	<u>22,69,07,890</u>	<u>16,77,14,064</u>
	<u>1,09,21,72,412</u>	<u>1,03,29,78,585</u>

CONSOLIDATED NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE : 4		
NON CURRENT LIABILITIES		
<i>b. Long Term Provisions</i>		
<i>Provision for Employee benefits</i>		
For Gratuity	Nil	Nil
For Leave Encashment	16,052	2,67,586
	<u>16,052</u>	<u>2,67,586</u>
NOTE : 5		
CURRENT LIABILITIES		
<i>a. Short - Term borrowings</i>		
Cash Credit	Nil	24,54,149
(The Company's borrowing facilities comprising cash credit facility of Rs. 2,75,00,000 - Cash Credit at the interest rate of 1.15%, above base rate, Present base rate being @ 9.65%, Export Packing Credit at the rate of 0.5% above the rate of 9.65% and Export Packing Credit in foreign currency at the rate of 2.50% above the LIBOR -secured by hypothecation of stock-in-Trade, Standing Crops, Book Debts, Vehicles and also equitable mortgage of Katary Estate with Buildings thereon.)		
<i>b. Trade Payable</i>		
(Refer Note No. 25 for Details of dues to micro and small enterprises)		
Total outstanding dues of Micro Enterprises and Small Enterprises	1,73,036	---
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2,83,55,614	2,66,69,712

CONSOLIDATED NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
<i>c. Other Current Liabilities</i>		
Investor Education and Protection Fund		
- Unpaid Dividend	1,71,73,997	1,29,75,085
Unpaid Preference Capital	2,24,110	2,25,110
Other current liabilities	13,04,925	8,20,816
	1,87,03,032	1,40,21,011
<i>d. Short - Term Provisions</i>		
<i>Provision for Employee benefits</i>		
For Leave Encashment	5,84,564	8,538
For Gratuity	15,56,268	43,02,141
<i>Other Provisions</i>		
For Taxation	41,56,741	56,74,895
For Proposed Dividend on Equity Shares	---	1,25,47,000
For Tax on Dividend	---	25,54,193
	62,97,573	2,50,86,767

CONSOLIDATED NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 6

TANGIBLE ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2015 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2016 Rs.	Up to 31.03.2015 Rs.	For the year Rs.	Withdrawn Rs.	Upto 31.3.2016 Rs.	As at 31.3.2016 Rs.	As at 31.3.2015 Rs.
Freehold Land and Development	2,66,71,159	---	---	2,66,71,159	---	---	---	---	2,66,71,159	2,66,71,159
Buildings	3,81,03,184	---	---	3,81,03,184	2,05,11,057	19,64,342	---	2,24,75,399	1,56,27,785	1,75,92,127
Plant and Machinery	6,62,70,476	37,00,972	---	6,99,71,448	5,30,09,880	49,11,432	---	5,79,21,312	1,20,50,136	1,32,60,596
Furniture and Fittings	60,02,691	3,62,822	---	63,65,513	48,73,497	4,40,313	---	53,13,810	10,51,703	11,29,194
Vehicles	2,43,92,725	62,92,731	67,58,448	2,39,27,008	1,63,56,016	34,28,731	58,83,400	1,39,01,347	1,00,25,661	80,36,709
	16,14,40,235	1,03,56,525	67,58,448	16,50,38,312	9,47,50,450	1,07,44,818	58,83,400	9,96,11,868	6,54,26,444	6,66,89,785
Previous year	15,28,87,902	85,52,333	---	16,14,40,235	8,28,90,932	1,18,59,518	---	9,47,50,450	6,66,89,785	6,99,96,970

Note : The Company does not have any lease hold property.

CONSOLIDATED NOTES FORMING PART

NOTE : 7 *of the Balance Sheet as at 31st March 2016 (contd.)*

Non Current Investments - At Cost

Description	As on 01.04.2015			As on 31.03.2016		
	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.
I. SHARES IN COMPANIES - LONG TERM - AT COST : (#)						
(A) EQUITY SHARES (FULLY PAID): ASSOCIATE COMPANIES						
(i) QUOTED :						
ATV Natural Products Ltd. (Face value Re.1/-) - Carrying Value	6,09,13,600	63,17,36,466				69,76,91,271
Share of Profit for the year		10,55,48,645				8,65,11,294
Less : Dividend Income		(3,95,93,840)				(3,04,56,800)
		<u>69,76,91,271</u>				<u>75,37,45,765</u>
(ii) UNQUOTED : (*)						
AVT McCormick Ingredients Pvt. Ltd.	31,50,000	3,15,00,000			31,50,000	3,15,00,000
Midland Corporate Advisory Services Pvt.Ltd. - Carrying Value	2,50,000	22,79,340			2,50,000	16,57,925
Share of Profit for the year		(6,21,415)				(5,27,612)
		<u>16,57,925</u>				<u>11,30,313</u>
Midland Natural Pte Ltd. (US \$ /Share) - Carrying Value	2,00,000	96,44,015		2,00,000		90,20,000
Share of Profit for the year		55,210				6,79,225
		<u>96,99,225</u>				<u>96,99,225</u>
L. J. International Ltd	64	313			64	313
		<u>4,28,57,463</u>				<u>3,26,30,626</u>
		2,69,81,805				2,69,81,805
		76,75,30,539				81,33,58,197
2. IN IMMOVABLE PROPERTIES						
Value of Land						
(1) Aggregate amount of Quoted investments (Market Value - Rs. 1,70,55,80,800/- Previous year Rs. 1,64,77,12,880/-)						
(2) Aggregate amount of Unquoted investments						
(3) Aggregate amount of immovable properties						
(*) The right to transfer shares is restricted under Section 2 (68) (i) of the Companies Act, 2013, being Private Limited Companies.						
(#) Face value of Equity Shares is Rs. 10/- fully paid up unless otherwise stated.						

CONSOLIDATED NOTES FORMING PART

of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 8

Current Investments - Lower of Cost and Fair Value

Description	As on 01.04.2015		Additions		Deductions		As on 31.03.2016	
	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.	No. of shares/Units	Amount Rs.
1. SHARES IN COMPANIES - SHORT TERM - AT COST : (#)								
(A) EQUITY SHARES - QUOTED:								
Tata Consultancy Services Ltd. (Re. 1/- share)	2,432	5,16,800					2,432	5,16,800
Great Eastern Shipping Co. Ltd.	1,800	4,95,347					1,800	4,95,347
IL & FS Investment Managers Ltd. (Formerly IL & FS Venture Corporation Ltd)	24,150	5,04,566					24,150	5,04,566
IL & FS Transportation Networks Ltd.	1,000	2,25,883					1,000	2,25,883
Noida Toll Bridge Co. Ltd.	18,400	4,75,961		4,75,961	18,400		---	---
Escorts Ltd.	10,080	8,88,006		8,88,006	10,080		---	---
MOIL Limited	1,840	6,03,461					1,840	6,03,461
Piramal Enterprises Ltd. (Formerly Piramal Healthcare Ltd)	1,720	6,95,173					1,720	6,95,173
JK Paper Ltd.	3,200	1,50,903		1,50,903	3,200		---	---
E.I.D Parry (India) Ltd.	1,080	1,98,556					1,080	1,98,556
Gateway Distriparks Ltd.	335	34,454					335	34,454
Engineers India Ltd.	680	1,00,383					680	1,00,383
Nesco Ltd.	110	88,001					110	88,001
Bajaj Fin Service Ltd.	50	46,151					50	46,151
Infosys Ltd.	60	98,315					120	98,315
NMDC Ltd.	570	1,00,368					570	1,00,368
Control Print Ltd.	570	49,812					855	49,812
Bombay Stock Exchange Ltd.	18,445	39,20,000					18,445	39,20,000
Catholic Syrian Bank Ltd.	8,065	12,50,000					8,065	12,50,000
Tata Sponge Iron Ltd.	75	50,700					75	50,700
IPCA Laboratories Ltd.	200	1,58,158					---	---
Lakshmi Machines Works Ltd.	26	1,01,342					26	1,01,342
Phoenix Lamps Ltd	1,555	1,50,920					1,555	1,50,920
Ambika Cotton Mills Ltd	130	98,155					130	98,155
Hero Motocorp Ltd	38	99,664					38	99,664
IDFC Ltd	600	1,00,248					600	1,00,248
Sriram Transport Finance Ltd.					200	1,58,158		
Tata Motors Ltd.							380	3,01,397
TVS Srichakra Ltd.							300	1,01,344
Sriram City Union Finance Ltd.							17	47,799
							83	1,24,747
		1,12,01,327		5,75,287		16,73,028		1,01,03,586

CONSOLIDATED NOTES FORMING PART

of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 8

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

Description	As on 01.04.2015		Additions		Deductions		As on 31.03.2016	
	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. MUTUAL FUNDS (QUOTED)								
ICICI Prudential Flexible Income Plan Daily Dividend	2,55,371	2,70,01,903	29,005	30,66,782	2,84,376	3,00,68,685	0	---
Templeton India Ultra short Bond Fund	39,76,944	3,98,88,993	1,07,679	10,85,325	40,84,623	4,09,74,318	0	---
BSL MNC - D	18,755	20,00,000					18,755	20,00,000
ICICI Prudential Recovery - D	79,711	20,00,000					79,711	20,00,000
ICICI Prudential top 100 - D	1,22,699	20,00,000					1,22,699	20,00,000
IDFC Sterling Equity Fund	1,27,697	20,00,000					1,27,697	20,00,000
Reliance Equity Opportunities	67,501	20,00,000					67,501	20,00,000
ICICI Pru Short Term Growth	20,90,633	5,00,00,000					20,90,633	5,00,00,000
ICICI Pru Equity Arbitrage Fund	5,47,224	75,30,683	37,312	5,13,375			5,84,536	80,44,058
IDFC Arbitrage Fund	12,07,214	1,50,00,000	65,242	8,16,223			12,72,456	1,58,16,223
Kotak Equity Arbitrage Fund	6,98,799	75,00,000	49,704	5,33,459			7,48,503	80,33,459
ICICI Prudential Flexible Income Regular Plan - Growth			3,09,112	8,54,68,685	2,51,839	6,92,39,364	57,273	1,62,29,321
IDFC Ultra Short Term Fund - Growth			20,30,101	4,11,70,238			20,30,101	4,11,70,238
Goldman Sachs Liquid Exchange Traded Scheme			2,188	21,35,261	428	4,28,855	1,760	17,06,406
		15,69,21,579		13,47,89,348		14,07,11,222		15,09,99,705
		16,81,22,906		13,53,64,635		14,23,84,250		16,11,03,291
			31.03.2016		31.03.2015			
(1) Aggregate amount of Quoted investments (Market Value - Rs. 18,54,39,616/- Previous year Rs. 18,80,81,649/-)		16,11,03,291		16,81,22,906				

(1) Aggregate amount of Quoted investments

(Market Value - Rs. 18,54,39,616/- Previous year Rs. 18,80,81,649/-)

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

(##) Increase in share represents Bonus issue in the ratio of 1:1 received during the year.

(###) Increase in share represents Bonus issue in the ratio of 2:1 received during the year.

CONSOLIDATED NOTES FORMING PART
of the Balance Sheet as at 31st March 2016 (contd.)

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
NOTE : 9		
INVENTORIES		
(Valued at lower of cost and net realisable value)		
Stores and Spares	50,90,115	61,75,857
Stock in Trade	2,49,35,000	2,71,20,000
	<u>3,00,25,115</u>	<u>3,32,95,857</u>
NOTE : 10		
TRADE RECEIVABLES		
Considered good - Unsecured:		
(a) Trade receivable outstanding for more than six months from the date they become due for payment	Nil	Nil
(b) Other receivable	3,33,11,955	3,21,85,291
	<u>3,33,11,955</u>	<u>3,21,85,291</u>
NOTE : 11		
CASH AND CASH EQUIVALENTS		
Cash and stamps on hand	73,034	48,095
Bank balances with Scheduled Banks		
In Current Account	55,56,559	6,08,788
	<u>56,29,593</u>	<u>6,56,883</u>
In Dividend / Capital Refund Account	1,73,98,107	1,32,00,195
	<u>1,73,98,107</u>	<u>1,32,00,195</u>
	<u>2,30,27,700</u>	<u>1,38,57,078</u>
Bank deposit with more than 12 months Maturity	Nil	Nil
NOTE : 12		
SHORT - TERM LOANS AND ADVANCES		
Considered good - Unsecured		
Advances recoverable in cash or in kind or for value to be received		
- Debts due by Officers of the Company	Nil	Nil
- Others	48,77,808	30,24,089
Deposits:		
(a) With NABARD under Tea Development Scheme	13,32,650	24,32,650
(b) Other Deposits	14,38,238	13,30,400
Other Loans and Advances		
Tax payments pending adjustment	47,67,639	41,09,967
MAT Credit Entitlement	1,10,00,000	1,31,00,000
	<u>2,34,16,335</u>	<u>2,39,97,106</u>

CONSOLIDATED NOTES FORMING PART OF THE STATEMENT
of Profit and Loss for the year ended 31st March 2016

	For year ended 31.03.2016 Rs.	For year ended 31.03.2015 Rs.
NOTE : 13		
REVENUE FROM OPERATIONS		
a) Sale of Products		
Tea	30,38,83,362	27,93,06,758
Tea Waste	65,15,500	41,16,000
Tea Subsidy	1,01,94,465	33,43,763
Exchange Fluctuations	5,64,966	7,10,943
b) Other Operating Revenue		
Sale of Import Entitlements	50,49,083	97,32,181
Duty Drawback	22,42,641	19,95,196
	<u>32,84,50,017</u>	<u>29,92,04,841</u>
NOTE : 14		
OTHER INCOME		
Income from Investments		
(i) Long Term	31,50,064	31,50,640
(ii) Current	50,25,422	76,64,252
Interest Received	1,07,101	4,49,744
Profit / (Loss) on Sales of Current Investments	20,66,344	15,18,735
Profit on Liquidation of Associates	40,03,222	---
Insurance Claim Received	28,98,000	---
Miscellaneous Receipts	42,800	4,59,889
	<u>1,72,92,953</u>	<u>1,32,43,260</u>

CONSOLIDATED NOTES FORMING PART OF THE STATEMENT
of Profit and Loss for the year ended 31st March 2016

	For year ended 31.03.2016 Rs.	For year ended 31.03.2015 Rs.
NOTE : 15		
COST OF MATERIAL CONSUMED		
Consumption of Raw material - Bought Leaf	7,79,68,915	6,95,86,491
NOTE : 16		
PURCHASE OF TRADED GOODS		
Tea	1,08,603	55,605
NOTE : 17		
INCREASE / DECREASE IN INVENTORY		
<i>Inventory at the beginning of the year :</i>		
Tea	2,71,20,000	1,47,93,000
<i>Inventory at the end of the year :</i>		
Tea	2,49,35,000	2,71,20,000
(+)	<u>(21,85,000)</u>	(-) <u>1,23,27,000</u>
NOTE : 18		
OTHER MANUFACTURING EXPENSES		
Consumption of Stores and Spares	2,13,29,323	1,97,53,590
Power and Fuel	2,44,82,832	2,41,46,491
Repairs and Maintenance	28,89,616	26,53,181
	<u>4,87,01,771</u>	<u>4,65,53,262</u>
NOTE : 19		
EMPLOYEE BENEFIT EXPENSES		
Salaries Wages and Bonus	11,53,51,813	9,97,27,284
Contribution to Provident and Other Funds	98,74,601	90,84,481
Provision for Gratuity (Refer Note 30)	15,56,268	43,02,141
Provision for Leave Encashment (Refer Note 30)	3,24,492	1,12,364
Welfare Expenses	41,74,697	39,19,328
	<u>13,12,81,871</u>	<u>11,71,45,598</u>
NOTE : 20		
FINANCE COST		
Interest	<u>3,88,480</u>	<u>6,49,864</u>

CONSOLIDATED NOTES FORMING PART OF THE STATEMENT

of Profit and Loss for the year ended 31st March 2016

	For year ended 31.03.2016 Rs.	For year ended 31.03.2015 Rs.
NOTE : 21		
OTHER EXPENSES		
Rent and Amenities	20,47,200	20,47,200
Repairs and Maintenance:		
Roads and Buildings	1,32,42,320	1,09,12,090
Vehicles	58,20,045	52,45,834
Others	3,17,983	1,67,296
Insurance	8,94,777	8,15,218
Rates and Taxes	14,14,684	19,73,285
Payment to Auditors		
For Audit	7,00,000	6,00,000
For Certification / Tax Audit	1,52,500	1,35,000
For Tax Representation	1,90,000	1,80,000
For Travelling and other Expenses	1,10,000	1,07,500
For Other Service	11,500	11,500
For Service Tax	1,62,547	1,27,803
Transport and warehousing	1,15,10,620	98,79,201
Brokerage and Commission	87,60,839	83,82,940
Travelling Expenses	56,91,270	48,66,689
Legal and Professional Expenses	53,43,823	48,15,064
Postage and Telephones	9,56,028	8,49,615
Printing and Stationery	6,70,084	5,13,493
Bank Charges	1,95,918	2,87,404
Directors' Sitting Fees	2,46,000	3,05,000
Advertisement and Sales Promotion	1,22,831	1,19,764
Loss on sale of Asset	8,68,291	---
Miscellaneous Expenses	53,42,497	51,21,375
	<u>6,47,71,757</u>	<u>5,74,63,271</u>

CONSOLIDATED NOTES ON ACCOUNT
of the Balance Sheet as at 31st March 2016 (contd.)

	Year ended 31.03.2016 Rs.	Year ended 31.03.2015 Rs.
--	---------------------------------	---------------------------------

NOTE : 22

PARTICULARS OF CONSUMPTION (in Rupees)

	Value in Rs.	%	Value in Rs.	%
(a) Rawmaterials - Bought Leaf Indigenous	7,79,68,915	100	6,95,86,491	100
(b) Stores and Spares: Indigenous	2,12,80,381	100	1,97,53,590	100
Imported	48,942		---	
	2,13,29,323	100	1,97,53,590	100

NOTE : 23

EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

a) Earnings FOB Value of Exports		
	21,70,87,298	18,89,63,971

NOTE : 24

EXPENDITURE IN FOREIGN CURRENCY

a) Testing Fee	23,890	5,21,950
b) Travelling Expenses	17,55,533	9,88,549
c) Registration Fee	1,75,824	2,22,280

NOTE : 25

DUE TO MICRO AND SMALL ENTERPRISES

Based on the information available with the Company, the Principal amount due to Micro and Small enterprises as on 31.03.2016 is Rs. 1,73,036/- (Previous year Nil). There are no overdue principal amounts and therefore no interest is paid or payable.

NOTE : 26

EARNINGS PER SHARE

Profit after Taxation	8,93,96,212	11,86,89,583
Number of Equity Shares outstanding at the end of the year	6,27,350	6,27,350
Basic EPS	142.50	189.19
Diluted EPS	142.50	189.19

NOTE : 27

CONTINGENT LIABILITY

Contracts remaining to be executed on Capital Account	3,23,394	19,02,690
---	----------	-----------

The retrospective effect from 01.04.2014 of the operations and implementations of the Payment of Bonus (Amendment) Act, 2015 has been stayed by Hon. High Court of Madras. Considering the same, the Company has not provided for the additional liability during the year

CONSOLIDATED NOTES ON ACCOUNT
of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 28

SEGMENT REPORTING

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

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

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

Secondary Segment Reporting

Particulars	Domestic Rs.	Export Rs.	Total Rs.
Revenue by Geographical Segment	8,52,93,132 (8,88,35,552)	21,85,90,230 (19,04,71,206)	30,38,83,362 (27,93,06,758)
Sundry Debtors	37,98,328 (1,09,34,527)	2,95,13,627 (2,12,50,764)	3,33,11,955 (3,21,85,291)

NOTE : 29

ACCOUNTING FOR TAXES ON INCOME

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

CONSOLIDATED NOTES ON ACCOUNT
of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 30

EMPLOYEE BENEFITS

i) Defined Benefit Plans

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

i) Gratuity Scheme

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

ii) Leave Encashment

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

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

	As on 31.03.2016		As on 31.03.2015	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
Present Value of the Obligation as on 01.04.2015	3,83,73,911	2,76,124	3,28,13,327	1,63,760
Current Service Cost	37,66,906	1,85,280	34,15,648	1,10,580
Interest Cost	29,00,852	16,880	29,12,070	10,159
Benefits Paid	(23,67,007)	(1,19,433)	(16,25,125)	(1,04,255)
Actuarial loss / (gain)	(16,18,866)	2,41,765	8,57,991	95,880
Present Value of the Obligation as on 31.03.2016	<u>4,10,55,796</u>	<u>6,00,616</u>	<u>3,83,73,911</u>	<u>2,76,124</u>

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

Fair Value of Plan Assets as on 01.04.2015	3,40,71,770	Nil	2,66,89,984	Nil
Expected return on plan assets	30,91,200	Nil	25,50,100	Nil
Contribution by the Company	48,80,388	1,19,433	65,33,343	1,04,255
Benefits Paid	(23,67,007)	(1,19,433)	(16,25,125)	(1,04,255)
Actuarial gain / (Loss)	(1,76,823)	Nil	(76,532)	Nil
Fair Value of Plan Assets as on 31.03.2016	<u>3,94,99,528</u>	<u>Nil</u>	<u>3,40,71,770</u>	<u>Nil</u>

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

Current Service Cost	37,66,906	1,85,280	34,15,648	1,10,580
Interest Cost	29,00,852	16,880	29,12,070	10,159
Expected return on plan assets	(30,91,200)	---	(25,50,100)	---
Net Actuarial (gain) / loss recognised in the year	<u>(14,42,043)</u>	<u>2,41,765</u>	<u>9,34,523</u>	<u>95,880</u>
	<u>21,34,515</u>	<u>4,43,925</u>	<u>47,12,141</u>	<u>2,16,619</u>

CONSOLIDATED NOTES ON ACCOUNT
of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 30

EMPLOYEE BENEFITS (Contd.)

	As on 31.03.2016		As on 31.03.2015	
	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)	Gratuity (Funded Plan)	Leave Encashment (Non Funded Plan)
e) Reconciliation of Net Liability recognised in the Balance Sheet				
Net Liability as at the beginning of the year	43,02,141	2,76,124	61,23,343	1,63,760
Add : Expense as (d) above	21,34,515	4,43,925	47,12,141	2,16,619
Less : Employer's Contribution / Payment	(48,80,388)	(1,19,433)	(65,33,343)	(1,04,255)
Net Liability as at the end of the year	15,56,268	6,00,616	43,02,141	2,76,124
f) Constitution of Plan Assets				
Investments in LIC Group Gratuity Scheme	3,94,99,528	N.A.	3,40,71,770	N.A.
g) Principal actuarial assumptions used as at the Balance Sheet Date				
Discount Rate	8.0 %	8.0 %	7.8 %	7.8 %
Salary Escalation Rate	2 %	2 %	3 %	3 %
Attrition Rate	1 %	1 %	2 %	2 %
Expected rate of return on plan assets	8.75 %	N.A.	8.75 %	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:

	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Gratuity funded plan					
Defined Benefit Obligation	4,10,55,796	3,83,73,911	3,28,13,327	2,68,26,684	2,55,64,412
Plan Assets	3,94,99,528	3,40,71,770	2,66,89,984	2,50,69,954	2,58,68,440
Surplus / (Deficit)	(15,56,268)	(43,02,141)	(61,23,343)	(17,56,730)	3,04,028
Experience adjustment - Plan Liability	(16,18,866)	8,57,991	31,31,863	(2,28,759)	9,01,800
Experience adjustment - Plan Assets	(1,76,823)	(76,532)	---	---	(2,17,008)

The Company expects to fund Rs. 20/- lakhs towards its Gratuity Plan during the year 2016 - 2017.

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. 89,58,897/- as expense towards contributions to these plans.

CONSOLIDATED NOTES ON ACCOUNT
of the Balance Sheet as at 31st March 2016 (contd.)

NOTE : 31

RELATED PARTY TRANSACTIONS

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

- | | |
|--|--|
| - A. V. Thomas & Co. Ltd. | - AVT Holdings Private Ltd. |
| - A. V. Thomas International Ltd. | - A. V. Thomas Leather and Allied Products Pvt. Ltd. |
| - L. J. International Ltd. | - A. V. Thomas Exports Ltd. |
| - A. V. Thomas Investments Company Ltd. | - Midland Latex Products Ltd. |
| - The Nelliampathy Tea & Produce Co. Ltd. | - Sermatech Private Ltd. |
| - The Midland Rubber & Produce Co. Ltd. | - Aspera Logistics Private Ltd. |
| - A V T Natural Products Ltd. | - Midland Corporate Advisory Services (P) Ltd. |
| - AVT McCormick Ingredients Private Ltd. | - AVT Natural Pte. Ltd. (Liquidated during the year) |
| - IQ Tech Private Ltd. | - AVT Gavia Foods Private Ltd. |
| - Teleflex Medical Private Ltd. | - Midland Charitable Trust |
| - J. Thomas Educational & Benevolent Trust | - AVT Tea Services Ltd. UK |
| - Midland Natural Pte. Ltd. (Liquidated during the year) | - AVT Tea Services North America LLC, USA |

Key Management Personnel :

Mr. Ajit Thomas, Chairman
Mrs. Shanthi Thomas, Executive Director
Mr. S. Rajasekar, Director (Till date 24.03.2016)
Mr. T. M. Hairkumar, Company Secretary & CFO

Details of Transaction	Year ended 31.3.2016		Year ended 31.3.2015	
	Associates	Key Management Personnel (including relatives)	Associates	Key Management Personnel (including relatives)
INCOME				
Sales	1,87,103		1,64,66,165	
Dividend Received	3,36,06,864		4,27,44,480	
Repatriation of Investment	40,03,222		---	
EXPENDITURE				
Warehousing / C&F Charges	2,42,892		1,09,966	
Sitting Fees		95,000		1,30,000
Professional Charges	11,62,080		9,98,880	
Dividend paid		2,46,25,180		2,46,21,180
Donations Paid	25,00,000		25,00,000	
Remuneration		44,93,326		25,36,285
BALANCE AS ON 31.3.2016				
Debit Balances	79,115		59,989	
Credit Balances	Nil		Nil	

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

Vide our report of date attached

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

G. Rengarajan

Place : Chennai
Date : 30.05.2016

Partner
Membership No. 219922

For and on behalf of the Board

Shanthi Thomas
Executive Director

Ajit Thomas
Chairman

T. M. Harikumar
Company Secretary & CFO

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2016

	Year ended 31.03.2016 Rs	Year ended 31.03.2015 Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	9,48,96,212	12,66,89,583
Adjustments for:		
Depreciation	1,07,44,818	1,16,13,867
Profit / Loss on sale of Investments	(20,66,344)	(15,18,735)
Profit / Loss on sale of Assets	8,68,291	---
Profit / Loss on Liquidation of Associate	(40,03,222)	---
Provision for Gratuity	15,56,268	43,02,141
Provision for Leave Encashment	6,00,616	2,76,124
Interest / Dividend Received	(82,82,587)	(1,12,64,636)
Insurance claim Received	(28,98,000)	---
Interest Paid	<u>3,88,480</u>	6,49,864
	<u>(30,91,680)</u>	
Operating Profit before working capital changes	9,18,04,532	13,07,48,208
Adjustments for:		
Trade and other Receivables	(11,26,664)	52,25,610
Inventories	32,70,742	(1,46,23,219)
Trade Payables	(22,35,218)	(39,48,792)
Other Current Assets	<u>(8,61,557)</u>	(8,80,273)
	<u>(9,52,697)</u>	
Cash generated from operations	9,08,51,835	11,65,21,534
Direct Taxes Paid	<u>(55,75,826)</u>	<u>(40,05,456)</u>
Cash Flow before Extraordinary items	8,52,76,009	11,25,16,078
Extraordinary Items	Nil	Nil
Net Cash From Operating Activities	<u>8,52,76,009</u>	<u>11,25,16,078</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,03,56,525)	(85,52,333)
Purchase of Investments	(19,08,91,517)	(21,71,78,099)
Sale of Investments	14,44,50,594	15,40,15,332
Sale of Fixed Assets - Claim Received	29,04,757	Nil
Liquidation of Investments in Associates	1,37,02,447	Nil
Interest Received	(1,42,333)	7,32,366
Dividend Received	<u>81,75,486</u>	<u>1,08,14,892</u>
Net Cash from / (used in) Investing Activities	<u>(3,21,57,091)</u>	<u>(6,01,67,842)</u>

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2016

	Year ended 31.03.2016 Rs	Year ended 31.03.2015 Rs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash Credit	(24,54,149)	(70,24,571)
Interest Paid	(3,88,480)	(6,49,864)
Dividend Paid	<u>(4,53,03,579)</u>	<u>(4,44,14,387)</u>
Net Cash used in Financing Activities	<u>(4,81,46,208)</u>	<u>(5,20,88,822)</u>
	<u>49,72,710</u>	<u>2,59,414</u>
Net Decrease in cash and cash equivalents		
Cash and cash equivalents as at 01.04.2015 (Opening Balance)	6,56,883	3,97,469
Cash and cash equivalents as at 31.03.2016 (Closing Balance)	56,29,593	6,56,883
	<u>49,72,710</u>	<u>2,59,414</u>

Vide our report of date attached

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

G. Rengarajan

Partner

Place : Chennai
Date : 30.05.2016

Membership No. 219922

For and on behalf of the Board

Shanthi Thomas
Executive Director

Ajit Thomas
Chairman

T. M. Harikumar
Company Secretary & CFO

PARTICULARS OF PROFITS, PROVISIONS, DIVIDENDS PAID ETC.

For the last ten years

Season	Net Profit before taxation Rs.	Depreciation Rs.	Provision for Taxation Rs.	Allocation to Reserve Funds Rs.	Dividend on Equity shares.	
					Rs.	%
2006/2007	2,57,13,527	31,94,836	13,00,000	1,50,00,000	62,73,500	100
2007/2008	2,42,05,871	31,58,553	14,25,000	1,50,00,000	62,73,500	100
2008/2009	2,56,19,110	35,58,028	16,10,000	1,50,00,000	62,73,500	100
2009/2010	3,54,16,401	43,82,159	46,00,000	2,50,00,000	62,73,500	100
2010/2011	3,21,93,459	51,99,773	37,00,000	2,00,00,000	94,10,250	150
2011/2012	14,58,61,621	52,77,408	32,00,000	6,00,00,000	6,27,35,000	1000
			(Net of MAT credit entitlement of Rs. 1,96,00,000)		(Special Interim Dividend) 62,73,500 (Final Dividend)	100
2012/2013	6,41,05,847	56,85,599	30,00,000 (Net of MAT credit utilisation of Rs. 10,00,000)	3,00,00,000	1,25,47,000 (Interim Dividend) 1,25,47,000 (Final Dividend)	200
2013/2014	5,25,95,746	69,24,099	50,00,000 (Net of MAT credit utilisation of Rs. 23,00,000)	2,00,00,000	2,50,94,000	400
2014/2015	6,13,00,983	1,16,13,867	80,00,000 (Net of MAT credit utilisation of Rs. 32,00,000)	2,00,00,000	1,25,47,000 (Interim Dividend) 1,25,47,000 (Final Dividend)	200
2015/2016	4,00,48,555	1,07,44,818	55,00,000 (Net of MAT credit utilisation of Rs. 21,00,000)	Nil	1,25,47,000 (Interim Divided I) 1,25,47,000 (Interim Divided II)	200

AREA PARTICULARS

Area as on 01-04-2016

	KATARY Hectares	SUTTON Hectares	TOTAL Hectares
TEA:			
In bearing	229.16	304.05	533.21
Immature	26.21	10.00	36.21
Buildings, Roads, etc.	26.39	39.75	66.14
TOTAL	281.76	353.80	635.56

NATIONAL ELECTRONIC CLEARING SERVICE (NECS) MANDATE FORM

To be submitted to the following address :-

To the following address if shares are held in physical form

OR

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

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

Dear Sirs,

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

I/We hold..... number/s equity shares of **Neelamalai Agro Industries Limited.**

I/We request you to arrange for payment of my/our dividend through NECS and credit the same to my/our bank account as per particulars given below:-

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

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

Yours faithfully

Date:

(Signature of First/Sole Shareholder)

Address :

Phone No. :

Email Id :

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

NEELAMALAI AGRO INDUSTRIES LTD.

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

Corporate Identity Number (CIN): L01117TZ1943PLC000117 Telephone : 0423 - 2284235, Fax: 0423 - 2284080

E-mail: secneelamalai@vsnl.net Website : www.neelamalaiagro.com

ATTENDANCE SLIP

I hereby record my presence at the 73rd Annual General Meeting of the Company at 10A.M. on Monday, the 8th August 2016 at the Registered Office of the Company at Katary Estate, Katary Post, Coonoor, The Nilgiris - 643213

Folio No. / DP-IP & Client ID No.

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Full Name of the *Shareholder/proxy (in block letters)

Signature of *Shareholder/proxy

* Strike out whichever is not applicable

E-mail ID.....

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

Form No. MGT-11

Proxy Form

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

Corporate Identity Number (CIN) : L01117TZ1943PLC000117

Name of the Company : NEELAMALAI AGRO INDUSTRIES LTD.

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

Name of the member(s) :

Registered address :

E-mail ID :

Folio No / Client ID :

DP ID

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

1. Name.....

Address.....

E-mail Id : Signature : or failing him

2. Name.....

Address.....

E-mail Id : Signature : or failing him

3. Name.....

Address.....

E-mail Id : Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 73rd Annual General Meeting of the Company, to be held on Monday, the 8th August 2016 at 10A.M. at the Registered Office of the Company at Katary Estate, Katary Post, Coonoor, The Nilgiris - 643213 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Item Nos.

1. Adoption of financial statements (including consolidated financial statements) for the year ended 31.03.2016
2. Re-appointment of Mr. Ajit Thomas as Director
3. Ratification of appointment of Auditors
4. Appointment of Mr. Raghu BhaleRao as Independent Director
5. Appointment of Mr. F.S.Mohan Eddy as Independent Director
6. Appointment of Mr. W.D.Nelson as Director

Signed this day of 2016

Signature of shareholder

Signature of Proxy holder(s)

Revenue
Stamp of
Re 1/-

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