NEELAMALAI AGRO INDUSTRIES LIMITED
(Registered Office : Katary Estate, Katary P.O., Coonoor, Nilgiris District - 643 213, TamilNadu)
Post Box No. 4260, Panampilly Nagar P.O., Ernakulam District, Kochi - 682 036, Kerala
Tele : (0484) 2315312 Fax : (0484) 2312541
Corporate Identity Number (CIN): L01117TZ1943PLC000117
E-Mail : secneelamalai@vsnl.net Website : www.neelamalaiagro.com

August 23, 2018

Bombay Stock Exchange Limited
25th Floor, PhirozeJeejeebhoy Towers
Dalal Street, Fort
Mumbai- 400001
Phones : 022-22721233/4, 022-66545695

Dear Sirs,

Sub: Annual Report of the company for the Financial Year 2017-2018—
(BSE Stock Code: 508670).

We are forwarding a copy of the Annual Report of the company for the Financial Year 2017-2018 in pursuance of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approved and adopted in the Annual General Meeting of the Company held on 22.08.2018.

This may please be taken on record.

Thank you.

Yours faithfully
for NEELAMALAI AGRO INDUSTRIES LTD.

T.M.HARIKUMAR
COMPANY SECRETARY & CFO

Encl: As above

NEELAMALAI AGRO INDUSTRIES LIMITED

75th Annual Report
2017 - 2018

SEVENTY FIFTH ANNUAL GENERAL MEETING

Day	:	Wednesday
Date	:	22nd August, 2018
Time	:	12.00 noon
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. F. S. Mohan Eddy
Mr. W. D. Nelson *(upto 29.08.2017)*

AUDIT COMMITTEE

Mr. A.D.Bopana, *Chairman*
Mr. Ajit Thomas *(w.e.f 10.08.2017)*
Mr. F. S. Mohan Eddy

KEY MANAGERIAL PERSONNEL

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

AUDITORS

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

BANKERS

Corporation Bank
The Federal Bank Ltd.

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 FIFTH ANNUAL GENERAL MEETING of the Company will be held at the Registered Office at Katary Estate, Katary Post, Coonoor, The Nilgiris, Tamilnadu – 643 213 at 12 noon on Wednesday, the 22nd day of August, 2018 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, 2018 and the Reports of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares
3. To appoint a Director in place of Mr. Ajit Thomas (DIN: 00018691), who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Mrs.Shanthi Thomas as a Whole-Time Director

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

RESOLVED THAT pursuant to the provision of Section 196,197 and 188 read with Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder, consent of the Company be and is hereby accorded for the re-appointment of Mrs. Shanthi Thomas (DIN:00567935), as Whole-Time Director designated as Executive Director of the Company for a period of three years with effect from 5th February 2018, on the following terms:-

1. Salary: Rs 2,00,000/- per month. (in the scale of Rs. 2,00,000 - Rs. 3,00,000)
2. Perquisites and other benefits:
   a) Company's contribution to Provident fund @ 12% in accordance with the rules of the Company.
   b) Gratuity: As per the rules of the Company.
   c) Company car and communication facilities: Use of the Company's car, chauffeur and communication facilities at the residence for official purposes, as per the rules of the Company.

On Behalf of the Board

Ajit Thomas
Chairman
DIN : 00018691

Chennai
29.05.2018

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

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 17, 2018 to August 22, 2018 (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. The dividend as recommended by the Board, if approved at this meeting, will be paid within 30 days from the date of AGM, to those members whose names appear in the Register of Members on that date.
7. 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.

8. 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.

9. Members are requested to notify the Company's Share Transfer Agent immediately of their bank account number and name of the bank and branch in the case of physical holdings, and to their respective Depository Participants in case of dematted shares, so that the payment of dividend when made through National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT), Direct Credit, Dividend Warrants etc., can be made without delay.

10. 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.

11. 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.

12. 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.

13. The Company has transferred the unpaid or unclaimed Dividend upto the financial year 2009-2010 to the Investor Education & Protection Fund (IEPF) constituted by the Central Government. Dividend declared for the financial year 2010-2011 remaining unpaid/unclaimed over a period of 7 years is liable to be transferred to the above fund during the year. Members are advised to claim the unpaid dividend, if any, immediately.

14. Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 ("Rules") notified by the Ministry of Corporate Affairs on 28th February, 2017, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed for seven consecutive years to the IEPF. The shareholders are requested to claim the unpaid dividend amount(s) immediately, failing which their shares shall be transferred to the demat account of the IEPF Authority as per the procedure stipulated in the Rules as amended from time to time.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

16. Members may also note that the Notice of the 75th Annual General Meeting and the Annual Report for 2017-2018 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.

17. Voting facilities

    In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote at the 75th 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.

18. Instructions for members for voting electronically:

    (i) The voting period begins on August 19, 2018 (9 a.m.) ends on August 21, 2018 (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 16, 2018, 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● 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)	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. 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).

(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

a. 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.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. 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.

d. 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.

e. 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 shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The resolutions will be deemed have been passed on the AGM date subject to receipt of the requisite number or votes in favour of the resolutions.

iii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website ww.neelamalaiagro.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

iv) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on August 16, 2018. 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
29.05.2018

Registered Office :

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

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015

Name of the Director	Mr. Ajit Thomas
Date of Birth	07.06.1954
Qualifications	B.Sc. (Statistics)
Expertise in specific functional areas	Vast experience in Plantations, Industry, Administrative matters, Finance and Business Management
Date of appointment	18.07.1980
Number of Board Meetings attended during the year 2017-2018	5 (Five)
Relationship with other directors inter-se	Husband of Mrs. Shanthi Thomas, Executive Director of the Company
Directorships held in other Companies as on March 31, 2018 (excluding foreign companies)	Executive Chairman - A.V.Thomas & Company Limited Chairman - AVT Natural Products Limited - The Nelliampathy Tea & Produce Company Limited - The Midland Rubber & Produce Company Limited - Midland Latex Products Limited - Aspera Logistics Private Limited - AVT Mccormick Ingredients Private Limited - Midland Corporate Advisory Services Private Limited - AVT Holdings Private Limited Director - L.J. International Limited - AVT Gavia Foods Private Limited - A.V. Thomas Leather & Allied Products Private Limited - A V Thomas Investments Co. Ltd. - Madura Micro Finance Limited - Saksoft Limited
Membership of Committees of other Companies	Chairman - Audit Committee. - Saksoft Limited Member - Nomination & Remuneration Committee - Saksoft Limited Chairman - Stakeholders Relationship Committee - AVT Natural Products Limited - The Midland Rubber & Produce Company Limited - The Nelliampathy Tea & Produce Company Limited Member - Stakeholders Relationship Committee - Saksoft Limited
Membership of Committees of other Companies	Chairman - CSR Committee - A.V.Thomas & Company Limited - The Midland Rubber & Produce Company Limited Member - CSR Committee - AVT Natural Products Limited - Madura Micro Finance Limited Member - Business Review Committee - Madura Micro Finance Limited
Number of Shares held in the Company	4,14,338 equity shares of Rs. 10 each jointly held with Mrs. Shanthi Thomas.

He is the Chairman of Stakeholders Relationship Committee and Member of Audit Committee and Nomination & Remuneration Committee of the company.

EXPLANATORY STATEMENT

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to Special Business at the meeting, is annexed hereto and shall be taken as forming part of this Notice.

Item No. 4

Reappointment of Mrs. Shanthi Thomas as a Whole-Time Director designated as Executive Director

The Board of Directors of the Company, upon the recommendations of the Nomination and Remuneration Committee, at its meeting held on February 05, 2018, re-appointed Mrs. Shanthi Thomas as the Whole-time Director designated as the Executive Director for a period of three years with effect from February 05, 2018.

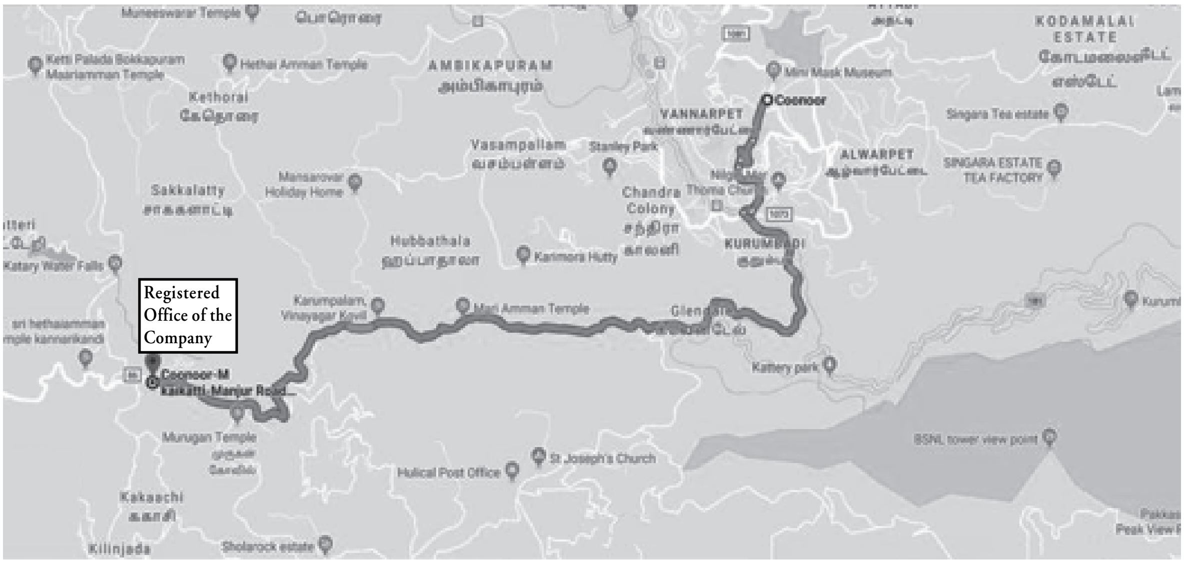
The terms and conditions of her appointment are as follows:

1. Remuneration as provided in the resolution
2. Period of appointment - 3 years beginning on February 05, 2018 and ending on February 04, 2021.
3. Mrs. Shanthi Thomas shall perform such duties as shall from time to time be entrusted to her by the Board of Directors, subject to superintendence, guidance and control of Board of Directors.

The resolution seeks the approval of members in terms of Section 196, 197 and 188 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof, for the time being in force) for the re-appointment of Mrs. Shanthi Thomas as a Whole- time Director, designated as the Executive Director for a period of three years with effect from February 05, 2018 till February 04, 2021.

Mr. Ajit Thomas, Chairman, being relative, is interested in this resolution. Mrs. Shanthi Thomas being the appointee, is also interested in this resolution. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out in Item No. 4. The Board recommends the Ordinary Resolution as set forth in Item No. 4 of the Notice for approval of the Members.

ROUTE MAP



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventy Fifth Annual Report, with the Audited Accounts for the year ended March 31, 2018.

FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2018 is summarized below:

Amount Rs. Lakhs

Particulars	2017 - 2018	2016 - 2017
Revenue from Operations	2970.80	2911.98
Other Income	422.32	489.61
Total Income	3393.12	3401.59
Profit before tax for the year	360.08	301.78
Less: Provision for Taxation		
(i) Current Tax (including MAT credit utilisation)	73.96	12.77
(ii) Deferred Tax	6.43	16.72
Profit/(Loss) for the period	279.69	272.29
Other Comprehensive Income taken to retained earnings	(115.85)	(19.90)
Add: Retained earnings of previous year	600.62	348.23
Total Retained earnings before appropriations	764.46	600.62
Transfer to General Reserve		Nil
Dividend on Equity Shares -2016-2017	125.47	
Tax on Final Dividend-2016-2017	25.55	
Retained earnings carried to Balance Sheet	613.44	600.62
Total	764.46	600.62
Proposed Dividend for the current year * Tax on proposed Dividend for the current year *		

* Proposed dividend on equity shares and tax on dividend have not been recognised as a liability in the current year's accounts in accordance with the Indian Accounting Standard 10 Events after the reporting period.

OPERATIONS REVIEW

Total income dropped from Rs. 3402 Lakhs in 2016-2017 to Rs. 3393 Lakhs in 2017-2018. Profit after comprehensive income/expenses/Tax was Rs. 137.57 Lakhs (previous year: Rs. 256.65 Lakhs).

Tea production during the year was 11.35 lacsKgs with an average yield of 2126 kgs. per hectare as against 8.21 lacsKgs with an average yield 1539 kgs. per hectare during last year. Apart from this there is also a production of 11.77 Lacskgs of bought leaf as against 11.41 LacsKgs during the previous year. The sale average during the year was at Rs. 127.40 per Kg as against the last year's sale average of Rs. 133.46/- per Kg.

DIVIDEND

Your Directors are pleased to recommend a dividend of 200% (Rs. 20 per share) on Equity Share Capital, for the year ended 31.03.2018, amounting to Rs. 125.47 Lakhs excluding dividend tax.

LISTING OF SECURITIES ON BSE LTD

The equity shares of the company continued to be listed on BSE Ltd. The Company has paid listing fees upto March 31, 2019 to the BSE Limited (BSE).

BOARD MEETINGS

The Board of Directors consists of Mr. Ajit Thomas, Chairman, Mrs. Shanthi Thomas, Executive Director, Mr. A.D.Bopana, & Mr. F.S.Mohan Eddy, Independent Directors and Mr. W.D.Nelson, Director (upto 29.08.2017).

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 and SEBI (Listing Obligations andDisclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE MEETINGS

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

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

Mr. Ajit Thomas(Director)(w.e.f. 10.08.2017)

Mr. F.S.Mohan Eddy (Independent Director)

The terms of reference stipulated by the Board to the Audit Committee cover the matters specified for Audit Committee underSEBI (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. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations andDisclosure Requirements) Regulations, 2015.

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.During the year no instances of unethical behaviour were reported.

NOMINATION & REMUNERATION COMMITTEE

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

Mr. A.D.Bopana	-	Independent Director
Mr. Ajit Thomas	-	Director (w.e.f 10.08.2017)
Mr. F.S.Mohan Eddy	-	Independent Director

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 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

FIXED DEPOSITS

The Company is not accepting deposits 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, 2018.

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

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

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated October 13, 2017 read with the circular dated October 16, 2017, wherein it was provided that where the period of 7 consecutive years, as above was completed or being completed during the period from September 7, 2016 to October 31, 2017, the due date of transfer for such shares was October 31, 2017.

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

In the light of the aforesaid provisions, the Company had during the year, transferred to the IEPF the unclaimed dividends outstanding for 7 consecutive years. Further, the 29,204 shares (No. of shareholders- 243) of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of the IEPF Authority.

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

RESERVE

The Company has not transferred any amount to the reserves for the financial year 2017-2018.

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

There were no material changes and commitments, affecting the financial position of the Company between the end of the financial year of the Company and the date of the report other than those disclosed in the financial statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. Executive Director

   Mrs. Shanthi Thomas has been re-appointed as the Executive Director of the Company in the Board Meeting held on February 05, 2018, on the recommendation of the Nomination and Remuneration Committee, for a further period of 3 years w.e.f.February 05, 2018, subject to the approval of shareholders..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. A.D.Bopana,& Mr. F.S.Mohan Eddy are the Independent Directors of the company.

3. Non-Executive Director

   Mr. W.D.Nelson,Director has resigned from the Board of Directors with effect from the close of business hours on August 29, 2017, due to personal reasons. Your Directors place on record, their appreciation for the valuable services rendered by Mr. W.D.Nelson during his tenure as 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 75th Annual General Meeting and being eligible, offer himself for re-appointment.

5. Key Managerial Personnel

   Mrs. Shanthi Thomas, Executive Director and Mr. T.M.Harikumar, Company Secretary & Chief Financial Officer are the Key Managerial Personnel of the Company.

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.

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 alongwith 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. 1703.82 Lakhs. The total outgo on Foreign Exchange amounted to Rs.12.16Lakhs.The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

STATUTORY INFORMATION

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

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

The statement containing remuneration paid to employees and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company during business hours on working days of the Company upto date of the forthcoming Annual General Meeting. Any member interested in obtaining a copy of the same may write to the Company and the same will be provided free of cost to the member.

STATUTORY AUDITORS

Pursuant to Section 139 and 142 of the Companies Act, 2013, the members of the Company had appointed M/s. PKF Sridhar &Santhanam LLP, CharteredAccountants, KRD Gee Gee Crystal, 7th Floor, 91-92, Dr. Radha krishanan Salai, Mylapore, Chennai - 600004, (Firm's Registration No. 003990S / S200018) as StatutoryAuditors for a period of 5 years commencing from the conclusion of the 74th Annual General Meeting till the conclusion of the 79th Annual General Meeting. In view of the amendment to the Companies Act, 2013 notified by the Ministry of Corporate Affairs dated May 07, 2018, their appointment need not required to be ratified by the Members.

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 and forms an integral part of this Report.

There is no secretarial audit qualification, reservation or adverse remarks in the Secretarial Report for the period under review.

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) relating to theBoard and General Meetings have been complied with by the Company.

COST AUDIT

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

INTERNAL AUDITORS

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

In compliance with Section 138 of the Companies Act, 2013, the Company had engaged M/s. PSDY& Associates, Chartered Accountants, Ernakulam as the Internal Auditors of the Company for the financial year 2017-2018. Findings and observations of the InternalAuditors are discussed and suitable corrective actions aretaken as per the directions of the Audit Committee onan on-going basis to improve efficiency in operations.Thus the internal audit function essentially validates thecompliance of the Company.The Company's internal control systems are well establishedand commensurate with the nature of its business and thesize and complexities of operations and adequate with reference to the financial statements as envisaged under the Companies Act, 2013.Your directors endorse that during the year under review,there were no reportable material weaknesses in the present systems or operations of internal controls.

CORPORATE GOVERNANCE

The Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 27 read with Part E of Schedule II and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 on Corporate Governance. The Management Discussion & Analysis Report and Report on Corporate Governance with Certificate on compliance with conditions of Corporate Governance have been annexed to this report (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 7to this report.

All Related Party Transactions were placed before the AuditCommittee as also the Board for approval. Prior omnibus approval of the Audit Committee was obtained for thetransactions which are foreseen and repetitive in nature. The Company has put in place proper system for identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.neelamalaiagro.com

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 (Annexure8)

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

As per provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the evaluation process for the performance of the Board, its Committees and individual Directors were carried out internally. Each Board member completed a questionnaire providing feedback on the functioning and overall level of engagement of the Board and its committees on the parameters such as the composition, execution of specific duties, contribution of new ideas/insights, quality, quantity and timeliness of flow of information, deliberations at the meeting, independent approach in decision making etc.

The Independent Directors in their meeting held on February 05, 2018, reviewed the performance of the Board as a whole and noted that the Board has been meeting regularly as per requirements of the Companies Act, 2013 and has been fulfilling all functions and discharging the various requirements. The Board has also been ensuring compliance of the provisions of all laws and rules and regulations framed thereunder as applicable to the company.

The Independent Directors also reviewed and were satisfied with the performance of the Non- Independent Director. The performance of the Chairperson of the company, taking into account the views of Executive Director and Non-Executive Director was also reviewed by the Independent Directors and they were satisfied with the performance of the Chairperson under whose leadership and guidance, the company has made great progress over the years.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has adopted the Indian AccountingStandards (Ind AS) with effect from 1st April 2017 andall its financial statements are made according to the saidstandard. Further, in the preparation of the financialstatements, the Company has followed the AccountingStandards referred to in Section 133 of the Companies Act,2013. The significant accounting policies which are appliedare set out in the Notes to the Financial Statements.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Act and that an Internal Complaints Committee has been set up for redressal of complaints and that all employees (permanent, contractual, temporary, trainees) are covered under this policy.
During the year the company has not received any compliant under Sexual Harassment of Women at the Workplace (Prevention, Prohibition &Redressal) Act, 2013.

GST IMPLEMENTATION

Goods and Service Tax (GST) is an indirect tax which has replaced many indirect taxes in India. GST is levied on the supply of goods and services and will mainly remove the cascading effect on the sale. Removal of cascading effect will directly impact the cost of goods. The Company hasimplemented the same with effect from July 01, 2017, in accordance with the implementation of the new taxation regime.

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 2018, 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 2018 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.

On Behalf of the Board

Ajit Thomas
Chairman
DIN : 00018691

Chennai
29.05.2018

ANNEXURE - 1

FORM AOC - 1

Amt. in Rs. Lakhs

Sl. No.	Name of Associates / Joint Ventures	AVT Natural Products Ltd	AVT McCormick Ingredients Private Ltd	Midland Corporate Advisory Services Pvt. Ltd.
1	Latest audited Balance Sheet Date	31st March 2018	31st March 2018	31st March 2018
2	Shares of Associate/Joint Venture held by the company on the year end			
	(i) No.	6,09,13,600	31, 50,000	2,50,000
	(ii) Amount of Investment in Associates/Joint Venture	258.97	315.00	25.00
	(iii) Extend of Holding %	40.00%	14.59%	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	9,533.92	1,926.17	8.63
6.	Profit / Loss for the year			
	i. Considered in Consolidation	918.74	312.35	1.47
	ii. Not Considered in Consolidation	---	---	---

Total Networth of the company	23,834.80	13,208	26.24

ANNEXURE- 2

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, 2018 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

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

(1) Ratio of the remuneration of each Director / KMP to the median remuneration of all the employees of the Company for the financial year 2017-18

Median remuneration of all the employees of the Company for the Financial Year 2017-18 Rs. Lakhs	0.91
Percentage increase in the median remuneration of the employees in the Financial year 2017-18	45.88%
Number of permanent employees on the rolls of the Company as on 31st March 2018	684

(2) The percentage of increase in remuneration of Executive Director /Company Secretary &CFO during the financial year 2017-18

Sl. No.	Name of the Director / KMP	Desgination	Remuneration during the FY 2017-18 (Rs. in Lakhs)	% increase in Remuneration during FY 2017-18
a	Mrs.Shanthi Thomas	Executive Director	28.17	Nil
b	Mr T M Hari Kumar	Company Secretary & CFO	26.37	7.80%

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

There is anincrease of 45.88% in the salaries of employees other than managerial personnelmainly due to wage revision andthat there is an average increase of 3.62% in the salaries of managerial personnel during the year.

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

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

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

ANNEXURE - 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year 2017-18

[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 2018, 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 2018 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, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (NOT APPLICABLE)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (NOT APPLICABLE)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (NOT APPLICABLE)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (NOT APPLICABLE)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (NOT APPLICABLE)

(h) 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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.

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

Place : Kochi
Date : 22.05.2018

ANNEXURE - 5

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 2.03 %. The company has posted a comprehensive income (net of tax) of Rs. 138 lakhs, as against Rs. 257 lakhs during the last year. The summary of the performance is given below:-

Particulars	31.03.2018 Rs. Lakhs	31.03.2017 Rs. Lakhs
Sales	2971.00	2912.00
Other Receipts	422.00	490.00
Total Income	3393.00	3402.00
Material Cost	(819.00)	(939.00)
Expenses	(2102.00)	(2062.00)
Interest	(4.00)	(3.00)
Depreciation	(107.00)	(96.00)
Profit / (Loss) before Tax	361.00	302.00
Tax Expenses (Current & Deferred Tax)	(80.00)	(29.00)
Net Profit / (Loss)	281.00	273.00
Remeasurement of the post-employment benefit obligations	(146.00)	(22.00)
Changes in fairvalue of FVOCI Investments	(32.00)	5.00
Income Tax Expenses / (Credit)	35.00	1.00
Total comprehensive income	138.00	257.00

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 ratio
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. 3,393 Lacs as against Rs. 3,402 Lacs during the previous year. Tea production including Bought Leaf during the year was 23.11 Lacs kgs as against 19.63 Lacs kgs. during the previous year. Other receipts have recorded an income of Rs. 421 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 2018, the company has an employee strength of 1071 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 other Directors categorized as follows:-

Category	Name of the Directors
Promoter/Chairman	Mr. Ajit Thomas
Executive Director	Mrs. Shanthi Thomas
Non-Executive Directors	Mr. W.D. Nelson (upto 29.08.2017)
Non-Executive and Independent Directors	Mr. A. D. Bopana Mr. Raghu Bhale Rao *(upto 30.05.2017)* Mr. F.S. Mohan Eddy

Shareholdings of Non-executive Directors

Name of the Non-Executive Director	No. of Shares held
Mr. Ajit Thomas (Promoter / Chairman)	4,14,338 equity shares jointly held with Mrs. Shanthi Thomas

b. Board Meetings

Number of Board Meetings held and the dates on which they were held.

During the year 2017-2018, the Board met five times. The dates on which the meetings were held are as follows:-

30.05.2017, 10.08.2017, 07.11.2017, 05.02.2018 and 28.03.2018.

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 ach 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	Yes	9	5	4 as Chairman 1 as Member
Mrs. Shanthi Thomas	Executive Director	4	No	2	1	Member
Mr. A.D.Bopana	Non- Executive Independent Director	5	No	4	4	Member
Mr. F.S. Mohan Eddy	Non- Executive Independent Director	5	Yes	2	1	Member
Mr. W.D. Nelson	Non- Executive Director	1	N.A.	6	None	N.A.

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

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 two Independent Directors.

Mr.A.D.Bopana (Chairman)

Mr. Ajit Thomas (w.e.f 10.08.2017)

Mr. F.S.Mohan Eddy

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 30.05.2017, 10.08.2017, 07.11.2017 and 05.02.2018.

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. Ajit Thomas (w.e.f 10.08.2017)	3
Mr. F. S. Mohan Eddy	4

4. NOMINATION & REMUNERATION COMMITTEE

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

Mr. A.D.Bopana	-	Independent Director
Mr. Ajit Thomas (w.e.f 10.08.2017)	-	Director
Mr. F.S.Mohan Eddy	-	Independent Director

Mr. A.D.Bopana is the Chairman of the Nomination & Remuneration Committee.

The Committee met on 05.02.2018 to consider the re-appointment of Mrs. Shanthi Thomas as Executive Director and fixation of remuneration and to evaluate the performance of every Director. All the members of the Committee attended the meeting.

Role of Nomination & Remuneration Committee

The role of the Committee shall inter alia include the following:

- 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. POLICY ON BOARD DIVERSITY

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

a. Diversity is ensured through consideration of a number of factors, including but not limited to skills, regional and industry experience, background and other qualities.

b. The Nomination & Remuneration Committee shall lead the process for Board appointment and for identifying and nominating, for approval of the Board, candidates for appointment to the Board.

c. Board appointments are based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender.

d. The Company shall also take into account factors based on its own business model and specific needs from time to time.

e. The benefits of experience/knowledge in the areas relevant to the Company and diversity continue to influence succession planning and continue to be the key criteria for the search and nomination of Directors to the Board.

6. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

As per regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company familiarise the Independent Directors through various programmes about the Company. The Company provides necessary documents, reports, internal policies etc., to enable them to familiarise with the Company's procedures and practises.

7. 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. Lakhs	Sitting Fees Rs. Lakhs	Contribution to P.F. & Other Funds Rs. Lakhs	Total Rs. Lakhs
Mr.Ajit Thomas - Promoter / Chairman	N.A.	0.68	N.A.	068
Mrs. Shanthi Thomas - Executive Director	24.00	N.A.	4.17	28.17
Mr. A.D.Bopana	N.A.	0.78	N.A.	0.78
Mr. F. S. Mohan Eddy	N.A.	0.78	N.A.	0.78
Mr. W. D. Nelson	N.A.	0.10	N.A.	0.10

8. 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 2018.

9. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2014-15	Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213	09/09/2015	10.00 A.M
2015-16	Katary Estate, Katary Post, Coonoor, The Nilgiris - 643 213	08/08/2016	10.00 A.M
2016-17	Katary Estate, Katary PostCoonoor, The Nilgiris – 643213	17.08.2017	12 noon

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.

10. DISCLOSURES

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 year.

The company has complied with all requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. 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.

12. GENERAL SHAREHOLDER INFORMATION

(i)	Annual General Meeting -Date and Time -Venue		August 22, 2018 at 12 noon Katary Estate, Katary Post, Coonoor, The Nilgiris - 643213
(ii)	Financial Calendar (Tentative)	Unaudited Results for the quarter ending 30.06.2018 quarter ending 30.09.2018 quarter ending 31.12.2018 Audited Financial Results for the year ending 31.03.2019	Before 15.08.2018 Before 15.11.2018 Before 15.02.2019 Before end of May, 2019
(iii)	Dates of Book Closure		17.08.2018 to 22.08.2018 (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. 1350 (last traded price - April 16, 2018)

13. TRANSFER AGENTS

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

14. 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 31.03.2018

No. of Equity Shares	Shareholders		No. of Equity Shares	
	Number	%	Number	%
Upto 500	855	94.16	1086490	17.32
501-1000	36	3.97	284360	4.53
1001-2000	7	0.77	90060	1.44
2001-3000	4	0.44	99000	1.58
3001-4000	2	0.22	70000	1.11
4001-5000	0	0.00	0	0.00
5001-10000	0	0.00	0	0.00
10001 & above	4	0.44	4643590	74.02
TOTAL	908	100.00	6273500	100.00

b. Pattern of Shareholding as on 31.03.2018

Category	No. of Equity Shares	Percentage
Promoters	4,16,938	66.46
Banks	4,250	0.68
NRI's	50	0.01
Bodies Corporate	7390	1.18
IEPF	29,204	4.65
Public	1,69,518	27.02
TOTAL	6,27,350	100

c. Dematerialisation of Shares

The shares of this Company are partially in demat form.

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

16. PRODUCTION CENTRES

TEA	Katary & Sutton Estates, Katary Post Coonoor, The Nilgiris - 643 213

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

In accordance with Regulation 34 (3) read with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial Year ended 31st March 2018.

For Neelamalai Agro Industries Ltd.,

AJIT THOMAS
Chairman
DIN : 00018691

Chennai
29.05.2018

ANNEXURE - 6

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

To the Members of

Neelamalai Agro Industries Limited

I have examined the compliance of Corporate Governance by Neelamalai Agro Industries Limited, for the year ended 31st March 2018, 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.

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

Place : Kochi
Date : 22.05.2018

ANNEXURE- 7

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 2017 – 2018.

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

AJIT THOMAS
Chairman
DIN : 00018691

Chennai
29.05.2018

ANNEXURE 7 A

FORM AOC - 2

Name of the Company	Nature of Relationship	Nature of Transaction	Duration of Transactions	Amount Rs. in Lakhs	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	97.49	Market Rate	Not Applicable	Nil
A. V. Thomas & Co. Ltd.	Common Control through constitution of Board / Share holding	Sale of Tea	On going transactions	76.05	Market Rate	Not Applicable	Nil
A. V. Thomas & Co. Ltd.	Common Control through constitution of Board / Share holding	Sale of Fixed Asset	On going transactions	15.91	Market Rate	Not Applicable	Nil
A. V. Thomas & Co. Ltd.	Common Control through constitution of Board / Share holding	C & F Charges	On going transactions	3.59	Market Rate	Not Applicable	Nil
Midland Corporate Advisory Service Pvt. Ltd	Common Control through constitution of Board / Share holding	Professional charges	On going transactions	3.45	Market Rate	Not Applicable	Nil

ANNEXURE 8

FORM MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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	89

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	ASSOCIATE COMPANY	40.00	2(6)
2	Midland Corporate Advisory Services Pvt.Ltd	U65993TN2005PTC055807	ASSOCIATE COMPANY	32.89	2(6)
3	AVT McCormick Ingredients Pvt. Ltd.	U51225TN1993PTC026433	ASSOCIATE COMPANY	14.59	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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individuals / HUF	410453	3850	414303	66.04	414338	0	414338	66.05	0.01
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	2600	0	2600	0.41	0.41
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)	410453	3850	414303	66.04	416938	0	416938	66.46	0.42

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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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)	410453	3850	414303	66.04	416938	0	416938	66.46	0.42
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) FIIs	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
2. Non-Institutions a) Bodies Corp.	2200	5440	7640	1.22	2600	4790	7390	1.18	(0.04)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	25514	151876	177390	28.28	28355	118146	146501	23.35	(4.93)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	20,817	0	20,817	3.32	20,817	0	20,817	3.32	0
c) Others (specify)	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	800	0	800	0.13	400	0	400	0.06	(0.07)
Foreign Nationals	0	400	400	0.06	0	400	400	0.06	0
HUF's	600	0	600	0.09	400	0	400	0.06	(0.03)
IEPF	0	0	0	0	29204	0	29204	4.66	4.66
Non Resident Indians	150	0	150	0.02	50	0	50	0.01	(0.01)
Trusts	0	1000	1000	0.16	0	1,000	1,000	0.16	0
Sub-total (B)(2):-	50081	158716	208797	33.28	81826	124336	206162	32.86	(0.42)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	50581	162466	213047	33.96	82326	128086	210412	33.54	(0.42)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	461034	166316	627350	100.00	499264	128086	627350	100	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	4,13,103	65.85	Nil	4,14,338	66.05	Nil	0.20
2	Mrs. Lily Thomas	1,200	0.19	Nil	Nil	Nil	Nil	(0.19)
3.	The Midland Rubber & Produce Co. Ltd.	0	0	Nil	2,600	0.41	Nil	0.41
	Total	4,14,303	66.04	Nil	4,16,938	66.46	Nil	0.42

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-2017	4,13,103	65.85	4,13,103	65.85
	Purchase 11-Sep-2017	35	0.01	4,13,138	65.86
	Purchase 06-Oct-2017	1,200	0.19	4,14,338	66.05
	At the end of the Year 31-Mar-2018	4,14,338	66.05	4,14,338	66.05
2	MRS. LILY THOMAS				
	At the beginning of the year 01-Apr-2017	1,200	0.19	1,200	0.19
	Sale 06-Oct-2017	(1,200)	0.09	0	0
	At the end of the Year 31-Mar-2018	0	0	0	0
3	THE MIDLAND RUBBER & PRODUCE CO. LTD.				
	At the beginning of the year 01-Apr-2017	0	0	0	0
	Purchase 07-Jul-2017	1,600	0.25	1,600	0.25
	Purchase 14-Jul-2017	100	0.02	1,700	0.27
	Purchase 01-Sep-2017	900	0.14	2,600	0.41
	At the end of the Year 31-Mar-2018	2,600	0.41	2,600	0.41

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-2017	10787	1.71	10787	1.71
	At the end of the Year 31-Mar-2018	10787	1.71	10787	1.71
2.	MR.PANDICHERRIL PATHROSE ZIBI JOSE (DP/CLID 1204810000021936)				
	At the beginning of the year 01-Apr-2017	10030	1.60	10030	1.60
	At the end of the Year 31-Mar-2018	10030	1.60	10030	1.60
3.	MR.ALAGAPPAN S (Folio Nos. 00001215 & 00002011)				
	At the beginning of the year 01-Apr-2017	4266	0.68	4266	0.68
	At the end of the Year 31-Mar-2018	4266	0.68	4266	0.68
4	MR.VEERIAH REDDIAR S				
	At the beginning of the year 01-Apr-2017	3600	0.57	3600	0.57
	At the end of the Year 31-Mar-2018	3600	0.57	3600	0.57
5	MR.NAWAB SIR LIAQUAT HYAT KHAN				
	At the beginning of the year 01-Apr-2017	2500	0.40	2500	0.40
	At the end of the Year 31-Mar-2018	2500	0.40	2500	0.40
6	COASTLINE STOCKS & SHARES PVT. LTD.				
	At the beginning of the year 01-Apr-2017	2500	0.40	2500	0.40
	At the end of the Year 31-Mar-2018	2500	0.40	2500	0.40
7	STATE BANK OF INDIA				
	At the beginning of the year 01-Apr-2017	2300	0.37	2300	0.37
	At the end of the Year 31-Mar-2018	2300	0.37	2300	0.37
8	MR.RAMACHANDRA IYER P N				
	At the beginning of the year 01-Apr-2017	2000	0.32	2000	0.32
	At the end of the Year 31-Mar-2018	2000	0.32	2000	0.32
9	MR.LAKSHMANAN S (Folio Nos. 00001246 & 00002013)				
	At the beginning of the year 01-Apr-2017	1968	0.31	1968	0.31
	At the end of the Year 31-Mar-2018	1968	0.31	1968	0.31
10	HIS HIGHNESS MARTHANDA VARMA				
	At the beginning of the year 01-Apr-2017	1600	0.26	1600	0.26
	Sale 20-Oct-2017 (Transmission carried out and sold by legal heirs)	(1600)	0.26	0	0
	At the end of the Year 31-Mar-2018	0	0	0	0

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-2017	413103	65.85	413103	65.85
	At the end of the Year 31-Mar-2018	414338	66.05	414338	66.05
2	MR.A.D.BOPANA				
	At the beginning of the year 01-Apr-2017	35	0.01	35	0.01
	At the end of the Year 31-Mar-2018	0	0	0	0
3	MR.T.M.HARIKUMAR				
	At the beginning of the year 01-Apr-2017	3	0.0004	3	0.0004
	At the end of the Year 31-Mar-2018	2	0.0003	2	0.0003

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

Amt.Rs. Lakhs

	Secured Loans excluding deposits	Unsured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
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
Change in Indebtedness during the financial year				
* Addition				
* Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
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: Rs. in Lakhs

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager - Mrs. Shanthi Thomas Executive Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		24.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 - Company Car		0.29
	(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
	Total (A)		28.17
	Ceiling as per the Act		30.00

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. A.D. Bopana				Mr. F. S. Mohan Eddy	
1	**Independent Directors**						
	Fee for attending board & committee meetings	0.73				0.73	1.46
	Commission	0				0	0
	Others, please specify Fee for attending Independent Director's Meetings	0.05				0.05	0.10
	Total (2)	0.78				0.78	1.56
2	**Other Non-Executive Directors**	Mr. Ajit Thomas	Mrs. Shanthi Thomas Executive Director	Mr. W. D. Nelson			
	Fee for attending board & committee meetings	0.68	Nil	0.10			0.78
	Commission	0	0	0			0
	Others, please specify	0	0	0			
	Total (2)	0.68	Nil	0.10			0.78
	Total (B)=(1+2)						2.34
	Total Managerial Remuneration A + B						30.51
	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		17.86
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		5.31
	(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 Nil
5	Others, please specify - P.F & Gratuity		3.20
	Total		26.37

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018

INDEPENDENT AUDITORS' REPORT

To the members of Neelamalai Agro Industries Limited

Report on the Indian Accounting Standards (Ind AS) 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 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income),the Cash Flow Statement and the Statement of Changes in Equity 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 to give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records inaccordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 and the Rules made thereunder including 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS standalone financial statements, 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 Ind AS standalone 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 standalone 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 Ind AS 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 March 31, 2018, and its profit (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the company for the year ended 31st March 2017 prepared under the previous GAAP have been audited by Suri & Co, Chartered Accountants (Firm's Registration No.004283S). We have audited the adjustments made for these periods for Ind AS transition The report of the predecessor auditor on the comparative financial information dated 30thMay 2017 (for the year ended 31 March 2017) expressed an unmodified opinion.

Our report is not modified in respect of this matter.

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 Order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2018 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 to our separate Report in "Annexure B".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance withRule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The company has disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its standalone financial statements at Note No.34.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2018.

      iii. There was a delay in transfer to the Investor Education and Protection Fund by the Company, of a sum of Rs.2.24 lakhs relating to preference capital redeemed by the company in 1993, which has been remitted in May 2018.

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

T V Balasubramanian
Partner
Membership No.027251

Chennai
29.05.2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

To the members of Neelamalai Agro Industries Limited

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of Neelamalai Agro Industries Limited on the Ind AS standalone financial statements as of and for the year ended March 31, 2018

i. In respect of its fixed assets:

a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of verification of fixed assets over a period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Fixed assets have been physically verified by the management during the year as per the said program. As informed, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

c. According to the information and explanations given to us and based on the examination of the relevant records provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name/erstwhile name of the Company as at the balance sheet date.

ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. Based on our audit procedures and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms or other parties, covered in the register maintained under section 189 and accordingly, subclauses a, b and c of clause iii of paragraph 3 of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made. The Company has not provided any loans or guarantees or security.

v. Based on our audit procedures and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Act and Rules made thereunder and hence reporting under clause (v) is not applicable.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company, as the turnover from such products is below the prescribed limit.

vii. According to the information and explanations given to us, in respect of statutory dues:

a. The company has generally been regular in depositing undisputed statutory dues including provident fund, Employees State Insurance, income-tax, sales-tax, service-tax,duty of customs, value added tax, Goods and Services Tax and cess with the appropriate authorities during the year and that there are no arrears of statutory dues outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.

b. There are no dues relating to income tax / sales tax / goods and services tax/ service tax or other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

Name of the Statute	Nature of dues	Amount (Rs. Lakhs)	Forum where dispute is pending
Income Tax Act	AY 2012-13 and 2013-14	4.43	CIT (Appeals)

viii. Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government.

ix. Based on our audit procedures and according to the information and explanations given to us, no term loans were raised during the year. The Company did not raise any money by way of initial/ further public offer. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. Based on our audit procedures and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. Based on our audit procedures and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment/ private placement of shares/ fully/ partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

T V Balasubramanian
Partner
Membership No.027251

Chennai
29.05.2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

To the members of Neelamalai Agro Industries Limited

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of Neelamalai Agro Industries Limited on the Ind AS Standalone financial statements for the year ended March 31, 2018

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 March 31, 2018 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. 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 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls 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 maintained, 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 March 31, 2018, 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 PKF Sridhar &Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

T V Balasubramanian
Partner
Membership No.027251

Chennai
29.05.2018

STANDALONE BALANCE SHEET

As at 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Assets				
Non-current Assets				
Property, Plant and equipment	4	657.62	698.76	654.27
Capital work in progress	4	95.92	39.93	---
Investment property	5	269.82	269.82	269.82
Financial assets				
i) Investments	6	870.12	900.43	598.98
ii) Loans	7	4.96	3.81	4.34
iii) Other Financial Assets	8	34.55	36.88	45.62
Current Tax Assets (net)		9.79	11.52	6.11
Deferred Tax Assets (net)	9	---	8.65	32.74
Other non - Current Assets	10	93.81	30.24	24.42
Total Non - Current Assets		**2,036.59**	**2,000.04**	**1,636.30**
Current Assets				
Inventories	11	416.69	282.06	300.25
Biological Assets other than bearer plants	12	20.16	28.04	11.65
Financial assets				
i) Investments	13	1,602.84	1,930.29	1,906.58
ii) Trade Receivables	14	269.47	122.44	333.12
iii) Cash and Cash equivalents	15	164.65	27.17	56.30
iv) Bank Balances other than cash and cash equivalents	15	236.60	238.41	173.98
v) Loans	7	1.28	1.00	4.40
Other Current Assets	10	45.13	43.55	20.92
Total Current Assets		**2,756.82**	**2,672.96**	**2,807.20**
Total Assets		**4,793.41**	**4,673.00**	**4,443.50**
Equity				
Equity Share Capital	16	62.74	62.74	62.74
Other Equity	17	4,130.11	4,143.55	3,886.91
Total Equity		**4,192.85**	**4,206.29**	**3,949.65**
Non-current liabilities				
Provisions	18	0.49	0.40	0.16
Deferred tax liabilities (net)	9	21.61	-	-
Total non-current liabilities		**22.10**	**0.40**	**0.16**
Current Liabilities				
Financial Liabilities				
i) Trade Payables	19	159.42	180.94	169.85
ii) Other Financial Liabilities	20	211.55	209.40	289.39
Provisions	18	184.96	68.90	21.41
Other Current Liabilities	21	22.53	7.07	13.04
Total Current Liabilites		**578.46**	**466.31**	**493.69**
Total Liabilites		**600.56**	**466.71**	**493.85**
Total Equity and Liabilites		**4,793.41**	**4,673.00**	**4,443.50**

See accompanying notes to the financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 29.05.2018

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
Din : 00018691

F. S. Mohan Eddy
Director
Din : 01633183

T. M. Harikumar
Company Secretary & CFO

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

	Particulars	Note No.	**31st March 2018**	31st March 2017
I	Revenue from Operations	22	2,970.80	2,911.98
II	Other Income	23	422.32	489.61
III	Total Income (I+II)		**3,393.12**	3,401.59
IV	**Expenses**			
	Cost of Material Consumed	24	818.13	937.86
	Purchase of Stock - in - Trade	25	1.15	0.87
	Change in inventories	26	(149.20)	24.63
	(Gain) / Loss on transformation of biological assets		7.88	(16.39)
	Employee Benefits Expenses	27	1,349.72	1,200.14
	Finance Costs	28	3.57	2.51
	Depreciation and Amortisation Expense	29	106.65	95.51
	Other Expenditure	30	895.14	854.68
	Total Expenses (IV)		**3,033.04**	3,099.81
V	Profit/(Loss) before tax from (III-IV)		**360.08**	301.78
VI	TAX EXPENSE			
	(1) Current Tax			
	(Including MAT Credit Utilisation CY 30.41 ; PY 6.28)	32	73.96	12.77
	(2) Deferred Tax	32	6.43	16.72
VII	Profit / (Loss) for the year		**279.69**	272.29
VIII	**Other Comprehesive Income**			
	Items that will not be reclassified to profit or loss			
	(i) Changes in fair value of FVOCI Investments		(31.75)	5.35
	(ii) Remeasurement of the Post-employement benefit obligations		(146.21)	(22.09)
	(iii) Income tax relating to items that will not be reclassified to profit or loss		35.84	1.10
	Other comprehensive Income for the year, net of tax		**(142.12)**	**(15.64)**
IX	**Total Comprehensive Income for the year (Comprising) Profit (Loss) and Other Comprehensive income for the Year)**		137.57	256.65
X	Earnings per Equit Share (Face Value of Rs. 10/- each)			
	(1) Basic	33	44.58	43.40
	(2) Diluted	33	44.58	43.40

See accompanying notes to the financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 29.05.2018

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
Din : 00018691

F. S. Mohan Eddy
Director
Din : 01633183

T. M. Harikumar
Company Secretary & CFO

STANDALONE STATEMENT OF CASH FLOW

For the year ended 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

	Year ended 31 March 2018	Year ended 31 March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	360.08	301.78
Adjustments for:		
Depreciation and amortisation	106.65	95.51
(Profit) / Loss on sale of Investments	(6.29)	13.04
(Profit) / Loss on sale of Assets	(3.12)	(0.06)
Provision for Gratuity in P&L	180.28	60.65
Provision for Leave Encashment	5.17	8.65
Provision for Gratuity in OCI	**(146.21)**	(22.09)
Fair value gains recognised on investments	(77.57)	(109.21)
Fair value on FVTOCI instruments recognised in OCI	(31.75)	5.35
Fair value changes to Biological assets	7.88	(16.39)
Interest Income	(6.69)	(3.96)
Dividend Received	(328.27)	(368.76)
Interest Expense	3.57	2.51
Operating Profit before working capital changes	**63.73**	(32.97)
Adjustments for working capital changes		
(Increase) / Decrease in Inventories	(134.63)	18.19
(Increase) / Decrease in Loans	(1.43)	3.93
(Increase) / Decrease in Other Current Assets	(1.58)	(22.63)
(Increase) / Decrease in Other Non - Current Assets	(57.97)	(5.02)
(Increase) / Decrease in Other Non - Current Financial Assets	2.33	8.74
(Increase) / Decrease in Trade and other Receivables	(147.03)	210.68
Increase / (Decrease) in Other Financial Liabilities	2.15	(79.99)
Increase / (Decrease) in Other Liabilities	15.46	(5.97)
Increase / (Decrease) in Trade payables	(21.52)	11.09
Increase / (Decrease) in Provisions	(69.30)	(21.57)
	(349.79)	84.48
Net Income Tax Paid	**(12.56)**	(9.71)
Net Cash (used) / generated in operating activities (A)	**(362.35)**	74.77
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant & equipment	(141.05)	(182.31)
Proceeds from disposal of property, plant & equipment	17.08	1.63
Interest received during the year	6.69	3.96
Dividend received on investment	328.27	368.75
Investment in Shares & Mutal Funds (Net)	441.62	(228.99)
Bank balances not considered as cash and cash equivalents:		
Matured	1.81	(64.43)
Net Cash generated / (used in) from Investing Activities (B)	**654.42**	(101.39)

STANDALONE STATEMENT OF CASH FLOW

For the year ended 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

	Year ended 31 March 2018	Year ended 31 March 2017
C. CASH FLOW FROM FINANCING ACTIVITIES*		
Interest Paid	(3.57)	(2.51)
Dividend Paid including Dividend Distribution Tax	(151.02)	---
Net cash generated / (used in) from financing activities (C)	**(154.59)**	(2.51)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	137.48	(29.13)
Cash and Cash equivalents at the beginning of the year	27.17	56.30
Cash and Cash equivalents at the end of the year	**164.65**	27.17
Components of cash and cash equivalents		
Cash and Bank Balances (Refer Note No. 15)	164.65	27.17
	164.65	27.17

* Refer foot note under Borrowings (Note No. 14) for Net Debit Reconciliation

See accompanying notes to the financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 29.05.2018

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
Din : 00018691

F. S. Mohan Eddy
Director
Din : 01633183

T. M. Harikumar
Company Secretary & CFO

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

A. Equity Share Capital

	Amount
Balance as at 1st April 2016	62.74
Changes in equity share capital during the year	---
Balance as at 31st March 2017	62.74
Changes in equity share capital during the year	---
Balance as at 31st March 2018	62.74

B. Other Equity

	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	FVOCI - Equity Investments	
Balance as at 1st April 2016	27.27	3,511.41	348.23	---	3,886.91
Profit for the year	---	---	272.29	---	272.29
Other comprehensive income for the year			(19.90)	4.25	(15.65)
Dividends paid	---	---	---	---	---
Dividend distribution tax	---	---	---	---	---
Transfer to reserves	---	---	---	---	---
Balance as at 31st March 2017	**27.27**	**3,511.41**	**600.62**	**4.25**	**4,143.55**
Profit for the year	---	---	279.69	---	279.69
Other comprehensive income for the year	---	---	(115.85)	(26.26)	(142.11)
Dividends paid	---	---	(125.47)	---	(125.47)
Dividend distribution tax	---	---	(25.55)	---	(25.55)
Transfer to reserves	---	---	---	---	---
Balance as at 31st March 2018	**27.27**	**3,511.41**	**613.44**	**(22.01)**	**4,130.11**

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

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 29.05.2018

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
Din : 00018691

F. S. Mohan Eddy
Director
Din : 01633183

T. M. Harikumar
Company Secretary & CFO

STANDALONE STATEMENT OF NET DEBT RECONCILIATION

For the year ended 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

***Net debt reconciliation**

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Net debt			
Cash and cash equivalents	164.65	27.17	56.30
Current Investment	1,602.84	1,930.29	1,906.58
Current Borrowings	-	-	-
Net (debt)/ Cash & Cash Equivalents	**1,767.49**	**1,957.46**	**1,962.88**

	Accrued during the Year		Paid during the Year	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Finance Cost				
Interest on Short term borrowings	3.57	2.51	3.57	2.51
Total	**3.57**	**2.51**	**3.57**	**2.51**

	Other Assets		Borrowings	
	Cash and cash equivalents	Current Investments	Short Term Borrowings	Total Net borrowings
Net (debt)/ Cash & Cash Equivalents as at 1 April 2016	56.30	1,906.58	-	1,962.88
Cash Flows	(29.13)	(85.50)	-	(114.63)
Unrealised fair value gains on current investments	-	109.21	-	109.21
Interest expense	-	-	(2.51)	2.51
Interest paid	-	-	2.51	(2.51)
(Net debt)/ Cash & Cash Equivalents as at 31 March 2017	**27.17**	**1,930.29**	-	**1,957.46**
Net (debt)/ Cash & Cash Equivalents as at 1st April 2017	**27.17**	**1,930.29**	-	**1,957.46**
Cash Flows	137.48	(405.02)	-	(267.54)
Unrealised fair value gains on current investments	-	77.57	-	77.57
Interest expense	-	-	(3.57)	3.57
Interest paid	-	-	3.57	(3.57)
(Net debt)/ Cash & Cash Equivalents as at 31 March 2018	**164.65**	**1,602.84**	-	**1,767.49**

NOTES

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

2.2 BASIS OF PREPARATION AND PRESENTATION

The Ministry of Corporate Affairs ('the MCA'), Government of India in exercise of the powers conferred by Section 133 read with Section 469 of the Companies Act, 2013 (The 'Act') and subsection 1 of section 210A of the Companies Act 1956 (The Erstwhile Act) in consultation with National Advisory Committee on Accounting Standards vide G.S.R. 111(E) dated 15th February, 2015 notified Rules called Companies (Indian Accounting Standard) Rules 2015 effective from April 1, 2015. The MCA wide notification GSR 111(E) dated March 30, 2016 issued certain amendments to IND AS vide Companies (Indian Accounting Standards) Amendment Rules 2016. The MCA wide notification GSR 404(E) dated April 6, 2016 introduced amendments to Schedule III of the Act, requiring companies to prepare the financial statements in compliance with companies (Indian accounting standards) Rules 2015.

The Company has resolved to adopt IND AS in preparation of financial statements for the year ended March 31, 2018. Pursuant to the above resolution and rules framed by MCA, the company has prepared its financial statements as per IND AS for the year ended March 31, 2017 with April 1, 2016 being the date of transition.

The comparative figures in the balance sheet as at March 31, 2017 and April 1, 2016 and Statement of Profit and loss and cash flow statement for the year ended March 31, 2017 have been restated accordingly.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take into account the characteristics when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis except, where measurement that have some similarities to fair value but are not fair value, such as, net realisable value in Ind AS 2 (inventories) or value in use in Ind AS 36 (Impairment of Asset).

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degrees to which the inputs to fair value measurement are observable and the significant of inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly ; and

Level 3 input are unobservable input for the assets or liabilities

NOTES (*contd.*)

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

New standards notified and adopted by the Company:

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated 17 March 2017, Ministry of Corporate Affairs (MCA) has notified amendments to two new standards namely Ind AS 102 Share-based Payment and Ind AS 7 Statement of Cash Flows which will be effective prospectively from 1 April 2017.

During the year, there are no share based payment transactions and hence Ind AS 102 is not applicable to the Company.

Further, amendment in Ind AS 7 pertains to additional disclosure requirement such as "An entity will be required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes."Relevant disclosure in this regard has been provided under Cash Flow Statement.

Accounting standards notified but effective at a later date

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018. Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Revenue from Contracts with Customers (Ind AS 115)

One new standard notified by MCA (not yet effective) for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer
ii. Identification of the performance obligations in the contract
iii. Determination of the transaction price
iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
v. Recognition of revenue when the Company satisfies a performance obligation.

The company is in the process of reviewing the main types of commercial arrangements used with customers under this model and on a very broad, preliminary analysis and pending a detailed review determines that the application of Ind AS 115 may not have a material impact on the results or the financial position.This standard is mandatory for accounting periods beginning on or after 1st April 2018. The company is planning to apply the standard retrospectively, utilising the practical expedient to not restate contracts that begin and end within the same annual accounting period.

A number of standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments are expected to have any material effect on the company's financial statements.

NOTES (*contd.*)

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

a. Financial assets at Fair value through other comprehensive income are measured at fair value.

b. Financial assets at fair value through Profit or loss are measured at fair value.

c. The defined benefit asset is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

The above items have been measured at fair value and the methods used to measure fair values are discussed further in Note 39.

2.3 Functional and Presentation Currency

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

2.4 First - time adoption of Ind AS

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note 38. Reconciliation and description of the effect of transition from previous GAAP to Ind AS on Equity, Profit & Loss, Total Comprehensive Income and Cash Flow are provided in Note 38.

For the periods up to and inclusive of year ended March 31, 2017, the Company prepared its financial statement in accordance with accounting standards specified in section 133 of the company's act 2013 read together with rule 7 of Companies (Accounts) Rules 2014 (Previous GAAP).

Ind AS 101 requires that all Ind AS financial statements be applied consistently and retrospectively for all fiscal years presented. However, this standard provides some exceptions and exemptions are as discussed below:

Exceptions to retrospective application of other Ind AS

i. **Estimates:** An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates made in accordance with Previous GAAP.

ii. **Ind AS 109 – financial instruments (Derecognition of previously recognised financial assets/liabilities)** An entity shall apply the Derecognition Requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Company has applied the Derecognition requirements prospectively.

iii. **Ind AS 109 (Financial instruments classification and measurement of financial asset)** Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of Transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial asset and accordingly has classified and measured financial assets on the date of transition.

iv. **Ind AS 109 financial instruments (Impairment of financial assets)**The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

NOTES (*contd.*)

Exemptions from retrospective application of IND AS

i. **Ind AS 16 Property, Plant and Equipment** An entity may elect to measure an item of property, plant and equipment and at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of PPE by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost. The Company has elected to continue with the carrying amount for all of its PPE, measured as per Previous GAAP and use that as its deemed cost as at the date of transition.

ii. **Ind AS 17 leases** An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes land and building elements, an entity shall assess the Classification of each element as finance or operating lease. The Company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

iii. **Ind AS 27 Separate financial statements** An entity is required to account for its investments in subsidiaries, joint ventures and associates either:

(a) at cost; or

(b) In accordance with Ind AS 109. Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date.

The Company has elected to account for the investment in joint venture and associate companies at cost. The company does not have any subsidiaries.

iv. **Ind AS 109 financial instruments** Ind AS 109 permits an entity to designate a Financial liability, financial asset at fair value through profit or loss on the basis of facts and circumstances that exists at the date of transition to Ind AS. The company has designated financial liabilities and financial assets as FVTPL based on the assessment made on the date of transition to Ind AS.

An entity may designate an investment in an Equity instrument at fair value through other comprehensive income (FVTOCI) in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has designated unquoted equity instruments in companies (held as non current investments) as at FVTOCI, based on the assessment made on the date of transition to Ind AS.

2.5. Property, plant and equipment :

a. Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss based on cost model. The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the enterprise and
- Cost of item can be measured reliably.

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

Bearer Plants are recognsied under property, plant & equipment on the fullfillment of the following conditions:

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

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

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

NOTES (*contd.*)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipments are not yet ready for their intended use and are carried at cost determined as aforesaid.

b. Depreciation:

Tangible property, plant & equipment are depreciated on straight line method adopting the useful life & residual value as specified in Schedule II of the Companies Act 2013, except for in the case of certain other assets which include plant & machinery and tea bushes for which useful life is based on technical evaluation and assets costing individually less than Rs.5000/- are depreciated at 100%. Depreciation for assets purchased / sold during a period is proportionately charged based on the actual useful life.

Useful life adopted based on technical evaluation are as under:

Tea Bushes : 50 years

Farm Field Equipments : 5 years

2.6. Impairment of tangible asset

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

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

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

2.7. Inventories

Finished goods are stated at the lower of the cost or net realisable value. Cost is determined on weighted average method for the all categories of the inventory. Cost of raw material and traded goods comprises cost of purchase. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods comprises direct materials, direct labour and appropriate proportion of variable and fixed overhead expenditure. Finished goods comprising agricultural produce that the Company has harvested from its biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

2.8. Employee benefits - Retirement benefit costs and termination benefits

2.8.1 Defined Contribution Plans

Payment to defined contribution towards retirement benefit plans i.e. Provident Fund, Family Pension Fund & Super Annuation Schemes are recognised as an expense in the Statement of Comprehensive Income when an employee have rendered service entitling them to the contributions.

NOTES (*contd.*)

2.8.2 Defined Benefit Plans

For defined benefit retirement benefit plans, the cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period. Remeasurement, compromising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit cost are categorised as follows:

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

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

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

2.8.3 Compensated Absences

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

2.8.4 Short Term Obligations

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

2.9. Financial Instruments

2.9.1 Investments & other Financial Assets

a) Initial Recognition and Measurement

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

b) Subsequent Measurement

i) Financial assets carried at amortised cost (AC)

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

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

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

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

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

NOTES (*contd.*)

c) **Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

d) **Impairment of Financial Assets**

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.In accordance with Ind-AS 109, the Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each Balance Sheet date, right from its initial recognition.

e) **Derecognition of Financial Assets**

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.9.2 Financial Liabilities

a) **Initial Recognition and Measurement**

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

b) **Subsequent Measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) **Derecognition of Financial Liabilities**

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

c) **Offsetting of financial instruments**

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

e) **Equity instruments**

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

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

NOTES (*contd.*)

2.10. Foreign currency transaction:

Initial Recognition

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

Subsequent Recognition

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

Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are converted at the year end exchange rates and the resultant loss or gain is dealt with in the Profit and Loss Account.

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates and the resultant gain or loss is dealt with accordingly.

2.11. Revenue recognition:

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

Sale of Goods : Revenue from sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:- All significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. - Amount of revenue can be measured reliably- It is probable that the economic benefits associated with the transaction will flow to the company,and - The cost incurred or to be incurred in respect of the transaction can be measured reliably.

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

Subsidies and export incentives:

Government incentives in the form of subsidy for replanting and rejuvenation of tea bushes extended by Tea Board of India, Subsidy for production of orthodox teas, and Subsidy under MEIS are recognised when there is a reasonable assurance that the conditions attaching to the incentive would be complied and the incentives will be received.

Subsidy for replanting of tea bushes extended by tea board of India are initially recognised as deferred income and recognised in Statement of profit & loss over the same period when the related costs are recognised.

2.12. Borrowing costs:

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

2.13. Assets taken on Lease:

The Company applies Appendix C of Ind AS 17 'Leases' for determining whether an arrangement contains a Lease. Further, leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

NOTES (*contd.*)

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2016, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

2.14. Taxation

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

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

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

(ii) **Deferred tax:**

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

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

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

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

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

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

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

2.15. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right 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.

2.16 Provisions & contingent liability:

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

NOTES (*contd.*)

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

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

2.17 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

a) Transactions of a non-cash nature.

b) Any deferrals or accruals of past or future operating cash receipts or payments and

c) Items of income or expense associated with investing or financing cash flows.

The Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

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

For the purpose of presentation in the statement of cash flow, cash and cash equivalents include cash on hand, other than short term, highly liquid investment with original maturities of 3 months of less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and bank overdraft. Bank overdrafts are shown within borrowings under current liabilities in the balance sheet.

2.18 Dividends:

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

2.19 Rounding of amounts: All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Division II of Schedule III, unless otherwise stated.

2.20 Segment Reporting:

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

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

2.21 Biological assets and other bearer plants

Biological assets are measured at fair value less cost to sell. Cost to sell include incremental selling costs, including auctioneers fee, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

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

NOTES (*contd.*)

2.22 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefit associated with the expenditure will flow to the company and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognised.

3. Critical judgements & Estimates in applying accounting policies

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

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

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

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

- **Taxation:**

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

- **Defined benefit plans:**

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

- **Provisions & Contingencies:**

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

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

- **Fair Value of financial instruments and biological assets:**

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

NOTE : 4

Property, Plant and Equipment

(All amounts are in INR Lakhs unless otherwise stated)

	Freehold land and development	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	CWIP - Bearer Plants	CWIP - Others
Cost or valuation								
At 1 April 2016	266.71	156.28	120.50	10.52	100.26	**654.27**	---	---
Additions / Transfer	---	---	8.49	1.79	131.29	**141.57**	38.42	1.51
Disposals	---	---	---	---	1.86	**1.86**	---	---
At 31 March 2017	**266.71**	**156.28**	**128.99**	**12.31**	**229.69**	**793.98**	**38.42**	**1.51**
Additions / Transfer	---	2.76	38.90	0.15	36.15	**77.96**	54.17	3.33
Disposals	---	---	---	---	19.91	**19.91**	---	1.51
At 31 March 2018	**266.71**	**159.04**	**167.89**	**12.46**	**245.93**	**852.03**	**92.59**	**3.33**
Depreciation and impairment								
At 1 April 2016	---	---	---	---	---	---	---	---
Depreciation charge for the year	---	17.37	35.12	3.39	39.63	95.51	---	---
Disposals	---	---	---	---	0.29	0.29	---	---
At 31 March 2017	---	**17.37**	**35.12**	**3.39**	**39.34**	**95.22**	---	---
Depreciation charge for the year	---	15.55	27.15	2.22	61.73	106.65	---	---
Disposals	---	---	---	---	7.46	7.46	---	---
At 31 March 2018	---	**32.92**	**62.27**	**5.61**	**93.61**	**194.41**	---	---
Net Block								
at 1 April 2016	266.71	156.28	120.50	10.52	100.26	654.27	---	---
at 31 March 2017	266.71	138.91	93.87	8.92	190.35	698.76	38.42	1.51
at 31 March 2018	266.71	126.12	105.62	6.85	152.32	657.62	92.59	3.33

Note: The company does not have any leasehold property.

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. 1 April 2016 and hence the carrying amount (netblock) as per previous GAAP on that date has been considered as gross block. (Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under previous GAAP)

As on 1st April 2016	Freehold land and development	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	CWIP - Bearer Plants	CWIP - Others
Gross Block	266.71	381.03	699.71	63.66	239.27	1,650.38	---	---
Accumulated Depreciation	---	224.75	579.21	53.14	139.01	996.11	---	---
Net Block	**266.71**	**156.28**	**120.50**	**10.52**	**100.26**	**654.27**	---	---

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 5			
INVESTMENT PROPERTY - LAND			
Opening balance	269.82	269.82	269.82
Additions (subsequent expenditure)	---	---	---
Closing balance	**269.82**	**269.82**	**269.82**
Depreciation and impairment			
Opening balance	---	---	---
Depreciation for the current period	---	---	---
Closing balance	---	---	---
Net Investment Property	269.82	269.82	269.82
Fair Value of the Investment property	318.41	318.41	318.41

Information regarding income and expenditure of Investment property

Particulars	31 March 2018	31 March 2017
Rental income derived from investment properties	---	---
Direct operating expenses (including repairs and maintenance) generating rental income	---	---
Direct operating expenses (including repairs and maintenance) that did not generate rental income	---	---
Profit arising from investment properties before depreciation and indirect expenses	---	---
Less – Depreciation	---	---
Profit arising from investment properties before indirect expenses	---	---

All amounts are in INR Lakhs unless otherwise stated

NOTE NO. 6
NON CURRENT INVESTMENTS

Investment in equity shares of associate / joint venture companies at Cost	Nature	**31st March 2018**	31st March 2017	01st April 2016
Investments in equity shares of associate companies				
Quoted				
AVT Natural Products Limited - 6,09,13,600 shares (As at 31-3-17 - 6,09,13,600 shares, As at 01-04-16 - 6,09,13,600 shares)	Associate	258.97	258.97	258.97
Un-quoted				
Midland Corporate Advisory Services Private Limited - 2,50,000 shares (As at 31-3-17 - 2,50,000 shares, As at 01-04-16 - 2,50,000 shares)	Associate	25.00	25.00	25.00
Investments in equity shares of JV				
Un-quoted				
AVT McCormick Ingredients Pvt. Ltd. - 31,50,000 shares (As at 31-3-17 - 31,50,000 shares, As at 01-04-16 - 31,50,000 shares)	Joint Venture	315.00	315.00	315.00
Less: Provision for diminution in value of investments		---	---	---
Sub Total		598.97	598.97	598.97
Investments at fair value through Other Comprehensive Income				
Investment in Equity Shares				
Unquoted				
L.J.International Limited - 64 shares (64 shares at 31/03/17 & 64 shares at 01/04/16)		0.21	0.21	0.01
A.V. Thomas & Company Limited - 100 shares (100 shares at 31/03/17 & Nil shares at 01/04/16)		4.66	4.66	---
The Nelliampathy Tea & Produce Company Limited - 515 shares (155 shares at 31/03/17 & Nil shares at 01/04/16)		2.06	0.62	---
The Midland Rubber & Produce Company Limited - 157 shares (157 shares at 31/03/17 & Nil shares at 01/04/16)		6.21	6.21	---
Verna Global Holding Limited - 8543 shares (Face Value - GBP 0.01 per share) (8543 shares at 31/03/17 & Nil shares at 01/04/16)		124.68	189.75	---
Investment in Preference Shares (Unquoted)				
Vogo Automotive Services Private Limited - 5559 shares (Face Value-1000 per share) (5559 shares at 31/03/17 & Nil shares at 01/04/16)		133.33	100.01	---
Sub Total		271.15	301.46	0.01
Grand Total Investments		870.12	900.43	598.98
Aggregate book value of quoted investments		258.97	258.97	258.97
Aggregate market value of quoted investments		21,928.90	23,969.50	17,055.80
Aggregate value of unquoted investments		611.15	641.46	340.01
Aggregate amount of impairment in the value of investments		---	---	---

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 7			
LOANS			
Loans			
(Unsecured, considered good)			
Non Current at amortized cost			
Loans to employees	4.96	3.81	4.34
Total	**4.96**	**3.81**	**4.34**
Current at amortized cost			
Loans to employees	1.28	1.00	4.40
Total	**1.28**	**1.00**	**4.40**
NOTE NO. 8			
OTHER FINANCIAL ASSETS			
(Unsecured, considered good unless stated otherwise)			
A) Non Current			
Deposits with Public Bodies	15.32	18.52	14.38
Deposits with Others	18.37	18.36	31.24
Term deposit with bank maturing after 12 months from the Balance Sheet date	0.86	-	-
Total	**34.55**	**36.88**	**45.62**
NOTE NO. 9			
DEFERRED TAX LIABILITY / ASSETS (NET)			
Components of Deferred tax			
Deferred Tax Asset / (Liability)			
On account of deprecaition	27.76	19.72	14.96
On account of Fair valuation of current investments	(128.17)	(113.69)	(92.22)
On acocunt of Fair valuation of non current investments	5.49	(1.10)	-
On others - -	-		
Sub Total	**(94.92)**	**(95.07)**	**(77.26)**
MAT Credit Entitlement			
Opening balance	103.72	110.00	110.00
Less: Utilization during the year	30.41	6.28	-
Net MAT Credit Entitlement	**73.31**	**103.72**	**110.00**
Net deferred tax assets/(liabilities)	**(21.61)**	**8.65**	**32.74**

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 10			
OTHER ASSETS			
(Unsecured, considered good unless stated otherwise)			
A) Non Current			
Capital Advance	7.60	2.00	1.20
Export incentive & Government Subsidy receivable	86.21	28.24	23.22
Total	**93.81**	**30.24**	**24.42**
B) Current			
Advance to suppliers	30.88	43.55	20.92
GST Input Receivable	14.25	-	-
Total	**45.13**	**43.55**	**20.92**
NOTE NO. 11			
INVENTORIES			
Raw materials	2.30	3.28	2.10
Finished goods	371.82	222.62	247.25
Stores, Spares and Packing Materials	43.85	57.95	52.46
Less: Provision for Slow Moving/Non Moving Inventories	1.28	1.79	1.56
Total inventories at the lower of cost or net realisable value	**416.69**	**282.06**	**300.25**
i) Provision for Slow Moving/Non Moving Inventories			
Opening Balance	1.79	1.56	1.40
Add: Provision during the year	-	0.23	0.16
Less: Reversal of provision no longer required	0.51	-	-
Closing Balance	1.28	1.79	1.56

NOTE NO. 12
BIOLOGICAL ASSETS

	Tea Leaves
Balance as at 1st April 2016	11.65
Change in fair value due to biological transformation	16.39
Balance as at 31st March 2017	**28.04**
Change in fair value due to biological transformation	(7.88)
Balance as at 31st March 2018	20.16

NOTE : 13

INVESTMENTS

	No. of scrips / Units held			(All amounts are in INR Lakhs unless otherwise stated)		
	31st March 2018	31st March 2017	01st April 2016	**31st March 2018**	31st March 2017	01st April 2016
Current Investments						
Investments at fair value through Profit & Loss						
Quoted Equity Shares (Valued at market rate per share)						
Tata Consultancy Services Limited	2,432	2,432	2,432	69.29	59.12	59.72
Great Eastern Shipping Company Limited	---	---	1,800	---	---	6.03
IL & FS Investment Managers Limited (formerly IL&FS Venture Corporation Limited)	---	---	24,150	---	---	3.86
IL & FS Transportation Networks Limited	1,000	1,000	1,000	0.60	1.09	0.73
MOIL Limited	---	1,840	1,840	---	5.78	4.01
Piramal Enterprises Ltd (formerly Piramal Healthcare Limited)	---	-	1,720	---	---	17.99
E.I.D Parry (India) Limited	---	1,080	1,080	---	3.06	2.37
Gateway Distriparks Limited	---	---	335	---	---	0.93
Engineers India Limited	1,360	1,360	680	2.15	1.96	1.16
Nesco Limited	550	110	110	3.03	2.59	1.69
Infosys Limited	230	120	120	2.60	1.22	1.45
NMDC Limited	570	570	570	0.68	0.76	0.56
Bajaj Fin Services Limited	---	---	50	---	---	0.87
BSE Limited	7,442	9,222	18,445	56.28	90.16	92.23
Control Print Limited	---	---	855	---	---	2.53
Tata Sponge Iron Limited	75	75	75	0.69	0.52	0.35
Lakshmi Machines Works Limited	26	26	26	1.80	1.10	0.88
Phoenix Lamps Limited	---	1,555	1,555	-	2.72	1.54
Ambika Cotton Mills Limited	130	130	130	1.68	1.71	1.06
Hero Motocorp Limited	38	38	38	1.35	1.23	1.12
IDFC Limited	17,840	600	600	8.70	0.33	0.24
IDFC Bank Limited	8,120	600	600	3.84	0.36	-
Sriram Transport Finance Limited	670	380	380	9.65	4.10	3.52
Tata Motors Limited	300	300	300	0.98	1.40	1.14
TVS Srichakra Limited	17	17	17	0.55	0.59	0.39
Sriram City Union Finance Limited	83	83	83	1.77	1.91	1.25
Gulf Oil Lubricants India Limited	185	185	---	1.69	1.30	---
ICICI Lombard General Insurance Company Limited	2,000	2,000	---	15.88	7.65	---

NOTE : 13

INVESTMENTS *(Contd...)*

	No. of scrips / Units held			(All amounts are in INR Lakhs unless otherwise stated)		
	31st March 2018	31st March 2017	01st April 2016	**31st March 2018**	31st March 2017	01st April 2016
UnQuoted Equity Shares*						
Catholic Syrian Bank Limited	8,065	8,065	8,065	14.11	12.50	12.50
Tamilnad Mercantile Bank Limited	8,000	8,000	-	34.00	20.40	-
Mutual Funds (Valued at NAV)						
BSL MNC-D	-	-	18,755	-	-	26.26
ICICI Prudential Recovery - D	-	-	79,711	-	-	22.57
ICICI Prudential top 100-D	-	-	1,22,699	-	-	19.96
IDFC Sterling Equity Fund	-	-	1,27,697	-	-	18.42
Reliance Equity Opportunities	-	-	67,501	-	-	18.25
ICICI Prudential Short Term Growth	20,90,633	20,90,633	20,90,633	756.70	713.38	647.13
ICICI Prudential Equity Arbitrage Fund	1,63,197	1,53,174	5,84,536	22.26	21.16	80.37
IDFC Arbitrage Fund	14,23,925	13,47,114	12,72,456	180.25	170.42	160.41
Kotak Equity Arbitrage Fund	8,49,151	7,95,888	7,48,503	90.79	85.53	80.46
ICICI Prudential Flexible Income Regular Plan - Growth	35,653	1,35,809	57,273	118.77	422.83	163.93
IDFC Ultra Short Term Fund- Growth	6,81,144	11,14,387	20,30,101	167.64	256.63	431.10
Goldman Sachs Liquid Exchange Traded Scheme	3,511	3,670	1,760	35.11	36.78	17.60
Total				**1,602.84**	**1,930.29**	**1,906.58**
Aggregate book value of quoted investments				183.21	190.66	207.62
Aggregate market value of quoted investments				183.21	190.66	207.62
Aggregate value of unquoted investments				1,419.63	1,739.63	1,698.96

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

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 14			
TRADE RECEIVABLES			
Current			
(Unsecured)			
Considered good*	269.47	122.44	333.12
Considered doubtful	-	-	-
	269.47	**122.44**	**333.12**
Less : Provision for Debts doubtful of recovery	-	-	-
Total trade receivables	**269.47**	**122.44**	**333.12**

***For related party balances refer Note 36**

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 15			
CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES			
Cash on hand	0.21	0.85	0.73
Balances with bank in current account	164.44	26.32	55.57
Cash and cash equivalents as per Balance Sheet	**164.65**	**27.17**	**56.30**
Bank balances other than cash and cash equivalents:			
Balances with banks:			
In deposit accounts as margin money for Bank Guarantees*	86.35	81.25	-
In deposit account with original maturity more than three months	0.86	6.86	-
Earmarked Balances (unclaimed/unpaid dividend deposit accounts)	150.25	150.29	173.98
Bank balance	**237.46**	**238.41**	**173.98**
Less : Term deposit with bank maturing after 12 months from the Balance Sheet date and other earmarked / margin money / pledged deposits classfied as non-current	0.86	-	-
Net Bank balances other than cash and cash equivalents	**236.60**	**238.41**	**173.98**

* represents FDR under lien for the issuance of the Bank guarantees.

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 16			
SHARE CAPITAL			
A. Authorised Share Capital			
Number of Ordinary (Equity) Shares	9,00,000	9,00,000	9,00,000
Face Value per Ordinary (Equity) share	10.00	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	**90.00**	**90.00**	**90.00**
Number of 5% Preference Shares	3,50,000	3,50,000	3,50,000
Face Value per 5% Preference share	10.00	10.00	10.00
5% Preference Share Capital in INR lakhs	**35.00**	**35.00**	**35.00**
B. Issued, Subscribed & Paid Up Share Capital			
Number of Ordinary (Equity) Shares	6,27,350	6,27,350	6,27,350
Face Value per Ordinary (Equity) share	10.00	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	**62.74**	**62.74**	**62.74**

C. Terms/ rights attached to Equity Shares

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

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

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity shares with voting rights			
Year ended 31-03-2018			
- Number of shares	6,27,350	-	6,27,350
- Amount (Rupees)	62.74	-	62.74
Year ended 31-03-2017			
- Number of shares	6,27,350	-	6,27,350
- Amount (Rupees)	62.74	-	62.74

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

Name of the Share holder	As at 31.03.2018		As at 31.03.2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Mr. Ajit Thomas	4,14,338	66.05%	4,13,103	65.85%

F. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL (PY - NIL).

All amounts are in INR Lakhs unless otherwise stated

NOTE NO. 17
OTHER EQUITY

Name of the reserve	Reserves & Surplus			Items of Other Comprehensive Income	
	Capital Redemption Reserve	General Reserve	Retained Earnings	FVOCI - equity investments	Total
As at 1 April 2016	27.27	3,511.41	348.23	---	3,886.91
Profit for the year	---	---	272.29	---	272.29
Other Comprehensive income for the year, net of Income tax	-	-	(19.90)	4.25	(15.65)
As at 31 March 2017	**27.27**	**3,511.41**	**600.62**	**4.25**	**4,143.55**
Profit for the year	-	-	279.69	-	279.69
Other Comprehensive income for the year, net of Income tax	-	-	(115.85)	**(26.26)**	(142.11)
Appropriations:	-	-	-		
Transfer to General Reserve	-	-	-	-	-
Dividend & Tax Paid on Dividend	-	-	**(151.02)**	-	(151.02)
As at 31 March 2018	**27.27**	**3,511.41**	**613.44**	(22.01)	**4,130.11**

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 18			
PROVISIONS			
Non Current			
Provision for Compensated absences*	0.49	0.40	0.16
Total	**0.49**	**0.40**	**0.16**
Current			
Provision for Gratuity	180.28	60.65	15.56
Provision for Compensated absences*	4.68	8.25	5.85
Total	**184.96**	**68.90**	**21.41**

*Refer Note 35 for details

NOTE NO. 19
TRADE PAYABLES

	31st March 2018	31st March 2017	01st April 2016
Due to Micro and Small Enterprises	9.61	0.48	1.73
Due to other than Micro and Small Enterprises	141.45	172.91	144.02
Accrued expenses and others	8.36	7.55	24.10
Total trade payables	**159.42**	**180.94**	**169.85**

Footnotes:

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE NO. 20
OTHER FINANCIAL LIABILITIES

	31st March 2018	31st March 2017	01st April 2016
Other financial liabilities			
Unclaimed dividend	148.00	148.05	171.74
Unpaid Preference Share Capital	2.24	2.24	2.24
Forward Cover Contracts	4.94	-	-
Employee related liabilities	56.37	59.11	115.41
Total	**211.55**	**209.40**	**289.39**

NOTE NO. 21
OTHER LIABILITIES

	31st March 2018	31st March 2017	01st April 2016
Current			
Statutory remittances	22.53	7.07	13.04
Total	**22.53**	**7.07**	**13.04**

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 22		
REVENUE FROM OPERATION		
Sale of products		
Tea	2,764.26	2,666.58
Tea Waste	102.42	111.89
Total Sale of Products (A)	**2,866.68**	**2,778.47**
Other Operating Revenue		
Tea Subsidy	30.97	55.72
Export Subsidies & Other Incentives	61.13	55.74
Duty Drawback	12.02	22.05
Total Other Operating Revenue (B)	**104.12**	**133.51**
Total revenue from operations	**2,970.80**	**2,911.98**
NOTE NO. 23		
OTHER INCOME		
Income from Investments (Dividend)		
Non Current	306.82	290.94
Current	21.45	77.81
Interest	6.69	3.96
Exchange Fluctuations Gain	0.00	6.14
Gain on Fair Value of Investments	77.57	109.21
Profit on sale of investments	6.29	-
Profit on Sale of Property, Plant and Equipment	3.12	0.06
Miscellaneous	0.38	1.49
Total	**422.32**	**489.61**
NOTE NO. 24		
COST OF MATERIAL CONSUMED		
Raw material and components consumed	818.13	937.86
Total	**818.13**	**937.86**
NOTE NO. 25		
PURCHASE OF STOCK - IN - TRADE		
Inventory at the beginning of the year	-	-
Add: Purchases	1.15	0.87
Less: inventory at the end of the year	-	-
Total	**1.15**	**0.87**

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 26		
CHANGE IN INVENTORIES		
Inventory at the beginning of the year	222.62	247.25
Less: inventory at the end of the year	371.82	222.62
Net (Increase)/Decrease	**(149.20)**	**24.63**
NOTE NO. 27		
EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	1,151.05	1,003.98
Contribution to provident and other funds	151.19	142.37
Staff welfare expenses	47.48	53.78
Total	**1,349.72**	**1,200.13**
Refer to Note 35 for details on employee benefit		
The above includes		
- Net incremental gratuity provision of	119.63	45.09
- Net incremental leave salary provision of	(3.48)	2.64
NOTE NO. 28		
FINANCE COSTS		
Interest on debts and borrowings at effective interest rate on borrowings	3.57	2.51
Total	**3.57**	**2.51**
NOTE NO. 29		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation of tangible assets	106.65	95.51
Total	**106.65**	**95.51**

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 30		
OTHER EXPENSES		
Other Manufacturing Expenses		
Consumption of Stores and Spares	162.31	149.29
Power and Fuel	221.26	185.60
Repairs and Maintenance	20.78	17.00
Rent and Amenities	21.60	21.46
Repairs and Maintenance		
Roads and Buildings	40.92	52.00
Vehicles	54.97	51.05
Others	12.64	2.44
Insurance	11.43	9.17
Rates and Taxes	4.23	13.17
Payment to Statutory Auditors (Refer Note 31)	7.00	15.66
Transport and Warehousing	130.99	104.90
Brokerage and Commission	74.11	81.69
Travelling Expenses	52.40	60.39
Legal and Professional Expenses	30.87	32.41
Postage and Telephones	7.97	9.45
Printing and Stationery	8.14	8.07
Bank Charges	3.50	2.45
Directors' Sitting fees	2.34	2.74
Advertisement and Sales Promotion	1.31	0.94
Exchange fluctuation loss	1.18	-
Loss on Sale of Current Investments	-	13.04
Loss on fair valaution of forward contracts	4.94	-
Miscellaneous Expenses	20.25	21.76
Total	**895.14**	**854.68**

	31 March 2018	31 March 2017
NOTE NO. 31		
PAYMENT TO STATUTORY AUDITORS		
For Audit	7.00	7.00
For Certification / Tax Audit	-	1.73
For Tax Representation	-	2.00
For Travelling and other Expenses	-	1.20
For Other Service	-	1.66
For Service Tax	-	2.07
Total	**7.00**	**15.66**

Foot Notes:

Amount capitalized during the current year:

Salaries, wages and bonus	35.29	26.07
Raw material and components consumed	18.88	12.34

All amounts are in INR Lakhs unless otherwise stated

NOTE NO. 32
INCOME TAX

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

	31 March 2018	31 March 2017
Statement of profit and loss:		
Income Tax		
In respect of the current year	73.96	12.77
	73.96	12.77
Deferred Tax		
In respect of the current year	6.43	16.72
Income tax expense reported in the statement of profit or loss	**80.39**	**29.49**
Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year		
Net (gain)/loss on revaluation of non-current investments	(6.60)	1.10
Net loss/(gain) on remeasurements of defined benefit plans	(29.24)	(2.20)
Income tax charged to OCI	**(35.84)**	**(1.10)**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2018 and 31 March 2017:

	31 March 2018	31 March 2017
Accounting profit before tax (a)	360.08	301.78
Income Tax Rate (b)	26.00%	26.00%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	93.62	78.46
Adjustments		
On account of dividend income	(85.35)	(76.43)
On account of non-taxable agricultural operations	36.82	45.96
On account of other items	35.30	(18.50)
Income tax expense reported in the statement of profit and loss	**80.39**	**29.49**

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 33		
EARNINGS PER SHARE		
Profit after Taxation in INR lakhs	279.69	272.29
Weighted average number of Equity Shares outstanding at the end of the year	6,27,350	6,27,350
Earnings per share (Basic and Diluted) in INR	44.58	43.40

NOTE NO. 34
SEGMENT REPORTING

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

Additional Information:

Segment Revenue

	31 March 2018	31 March 2017
Revenue by Geographical Segment		
India	1,028.08	642.25
Rest of the World	1,736.18	2,024.33
Total Revenue from Sale of Products	**2,764.26**	**2,666.58**
Trade Receivables		
India	56.03	14.23
Rest of the World	213.44	108.21
Total Revenue from Sale of Products	**269.47**	**122.44**

Note:

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

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 35		
EMPLOYEES BENEFIT		
(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries) :		
Provident and Other Funds	117.12	101.17
(b) The Company operates post retirement defined benefit plans as follows :-		
Gratuity Scheme :		
This is a funded defined benefit plan for qualifying employees for which, the Company is making contributions to the Gratuity Fund managed by Life Insurance Corporation of India. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.		
Defined Benefit Plans (Gratuity)– As per Actuarial Valuation on March 31, 2018:-		
(i) Amount to be recognized in Balance Sheet and movement in net liability		
Present Value of Funded Obligations	653.39	462.83
Fair Value of Plan Assets	473.11	402.17
Net (asset) / Liability - Current	180.28	60.65
(ii) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	41.56	38.05
Interest on Net Defined Benefit Liability	1.76	0.62
Past Service Cost	-	-
Total	**43.32**	**38.67**
(iii) Amount recorded in Other Comprehensive Income		
Actuarial (gain)/loss on Plan Obligations	149.48	22.27
Difference between Actual Return and Interest Income on ' Plan Assets- (gain)/loss	(3.27)	(0.19)
Total	**146.21**	**22.08**
(iv) Reconciliation of Net Liability/ Asset		
Opening Net Benefit Liability	60.65	15.56
Expense charged to profit and loss	43.32	38.67
Amount recognized outside profit and loss (in OCI)	146.21	22.09
Employer Contribution	(69.90)	(15.66)
Closing Net Defined Benefit Liability/ (Asset) - Current	**180.28**	**60.65**

All amounts are in INR Lakhs unless otherwise stated

NOTE NO. 35
EMPLOYEES BENEFIT

		31 March 2018	31 March 2017
(v)	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	462.83	410.56
	Interest Cost	30.59	31.27
	Current Service Cost	41.56	38.05
	Past Service Cost	-	-
	Interest on defined benefit obligation	-	-
	Benefits paid	(31.07)	(39.32)
	Actuarial Losses / (Gain) on obligation	149.48	22.27
	Closing Defined Benefit Obligation	**653.39**	**462.83**
(vi)	**Reconciliation of Fair Value of Plan Assets**		
	Opening Fair Value of Plan Assets	402.17	395.00
	Actuarial Losses / (Gain) on Plan Assets	3.27	0.19
	Contributions made	69.90	15.66
	Benefits Paid	(31.07)	(39.32)
	Interest Income	28.84	30.65
	Closing Fair Value of Plan Assets	**473.11**	**402.17**
(vii)	**Description of Plan Assets**		
	Government of India Securities	0%	0%
	Corporate Bonds	0%	0%
	Special Deposit Scheme	0%	0%
	Equity	0%	0%
	Funds managed by Insurer	100%	100%
	Others	0%	0%
	Grand Total	**100%**	**100%**

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017

NOTE NO. 35
EMPLOYEES BENEFIT

(viii) Actuarial Assumptions

Discount rate (p.a.)	7.30%	6.84%
Salary Escalation Rate (p.a.)	2.80%	2.80%
Attrition Rate (p.a)	5.00%	1.00%

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

Further, Mortality has been assumed as per the published notes under the Indian Assured Lives Mortality (2006-08) Ult table Change in Benefit Obligation.

(ix) Expected Benefit Payments in Following Years

	(mid - year cash flows) 31-Mar-18
Year 1	89.99
Year 2	114.50
Year 3	129.87
Year 4	145.62
Year 5	172.91
Next 5 Years	470.28
Average Duration of Defined Benefit Obligations	15.27 Years

The Next year estimated liability is INR 89.99 lakhs

(x) Effect of Change in Key Assumptions
Year Ended 31st March 2018

Particulars	At Discount Rate	At Salary Escalation Rate
Impact of increase in 100 bps on DBO	625.94	684.12
Impact of decrease in 100 bps on DBO	684.16	625.58

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017

NOTE NO. 35
EMPLOYEES BENEFIT

c) Other Long Term Employees Benefit

(i) **Leave Encashment :**

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

Other Long Term Employee Benefits (Leave encashment)– As per Actuarial Valuation on March 31, 2018:-

		31 March 2018	31 March 2017
(i)	**Amount to be recognized in Balance Sheet and movement in net liability**		
	Present Value of Funded Obligations	5.16	8.65
	Fair Value of Plan Assets	-	-
	Net (asset) / Liability - Current	5.16	8.65
(ii)	**Expenses recognized in the Statement of Profit & Loss**		
	Current Service Cost	2.35	2.20
	Interest on Net Defined Benefit Liability	0.59	0.39
	Past Service Cost	-	-
	Actuarial gain/Loss recognised for the period	(6.42)	2.19
	Total	**(3.48)**	**4.78**
(iii)	**Actuarial Assumptions**		
	Discount rate (p.a.)	7.30%	6.84%
	Salary Escalation Rate (p.a.)	2.80%	2.80%
	Attrition Rate (p.a)	1.00%	1.00%

(iv) **Effect of Change in Key Assumptions**
Year Ended 31st March 2018

Particulars	At Discount Rate	At Salary Escalation Rate
Impact of increase in 100 bps on DBO	5.12	5.22
Impact of decrease in 100 bps on DBO	5.22	5.11

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Exposure to Risks:

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

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

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

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

NOTE NO. 36
RELATED PARTY TRANSACTIONS

A Details of related parties:

Directors who held the office during the year:

Mr. Ajit Thomas , Chairman
Mrs. Shanthi Thomas , Executive Director
Mr. A. D. Bopana
Mr. F. S. Mohan Eddy
Mr. Raghu Bhale Rao*
Mr. W. D. Nelson*

*For Part of the Year

Key Management Personnel (KMP)

Mr. T M Hari Kumar, Company Secretary & CFO

Associates & Joint Venture of the company :

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

Entities in which Directors are interested with whom transactions were carried out during the year:

A V Thomas & Co. Ltd.

The Midland Rubber & Produce Co. Ltd.

The Nelliampathy Tea & Produce Co. Ltd.

B. Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

All amounts are in INR Lakhs unless otherwise stated

Sl. No.	Particulars	Directors		Key Management Personnel (KMP)		Associate & Joint Venture of the Company		Entities in which Director are Interested /Relatives of Director	
		31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	Transactions during the year:								
1	Sitting Fees to Chairman	0 .40	0.40	---	---	---	---	---	---
2	Sitting Fees to Other Directors	1 .94	2.34	---	---	---	---	---	---
3	Dividend Received	---	---	---	---	184.83	290.90	0.17	0.04
4	Sale of Goods / Consumables and Ingredients	---	---	---	---	97.49	20.13	76.05	2.22
5	Sale of Fixed Assets	---	---	---	---	---	---	15.91	---
6	Warehousing Charges	---	---	---	---	---	---	3.59	2.50
7	Purchases	---	---	---	---	---	---	---	1.16
8	Investment	---	---	---	---	---	---	---	6.34
9	Professional Charge	---	---	---	---	3.45	5.75	---	---
10	Dividend Paid	82.62	---	---	---	---	---	---	---
11	Remuneration to Executive Director - Short term benefit *	28.17	28.17	---	---	---	---	---	---
12	Remuneration to Key Managerial Personnel - Short term benefits *	---	---	26.37	24.46	---	---	---	---
* Long term benefits have not been disclosed since the liability for such benefit have been derived by the actuary for entity as whole.									
	Outstanding Balance at the year ended								
1	Receivable on Account of sales	---	---	---	---	7.60	---	1.21	0.96

All amounts are in INR Lakhs

	Year ended 31 March 2018	Year ended 31 March 2017
NOTE NO. 37 (a)		
COMMITMENTS AND CONTINGENCIES		
1) On account of Income Tax matters in dispute	4.43	---
2) The retrospective effect from 01-04-14 of the operations and implimentations of the Payment of Bonus (Amendment) Act, 2015 has been stayed by Hon. High court of Madras. Considering the same, the company has not provided for the additional liability.		

3) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is INR 3.61 Lakhs (Previous year – INR 1.32 Lakhs).

NOTE NO. 37 (b)
GUARANTEE GIVEN BY THE COMPANY

Bank Guarantee of INR 809.58 lakhs (PY - INR 809.58 lakhs) have been given by the company to various authorities & other parties. These guarantees were issued against the margin money kept with bank of INR 86.35 lakhs (PY - INR 81.25 lakhs).

NOTE NO. 37 (c)
OTHER REGULATORY MATTERS

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

Particulars	31 March 2018	31 March 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	9.61	0.48
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	---	---
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	---	---
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	---	---
(v) The amount of further interest due and payable even in the succeeding year, ntil such date when the interest dues as above are actually paid	---	---

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE : 38

FIRST TIME ADOPTION OF IND AS RECONCILIATION

38.1 Effect of Ind AS adoption on the Balance Sheet as at 31st Mar 2017 and 1st April 2016

	Notes	As at 31st March 2017			As at 1st April 2016		
		End of last period presented under previous GAAP			Date of transition		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Non Current Assets							
Property, plant and equipment		698.76		698.76	654.27		654.27
Capital work in progress		39.93		39.93	-		-
Investment Property		269.82		269.82	269.82		269.82
Financial assets							
Investments	d	895.08	5.35	900.43	598.98		598.98
Loans		3.81		3.81	4.34		4.34
Other financial assets		36.88		36.88	45.62		45.62
Current Tax Assets (Net)		11.52		11.52	6.11		6.11
Deferred tax asset (Net)	f	103.73	(95.08)	8.65	110.00	(77.26)	32.74
Other non current assets		30.24		30.24	24.42		24.42
Total non-current asset		**2,089.77**	**(89.73)**	**2,000.04**	**1,713.56**	**(77.26)**	**1,636.30**
Current Assets							
Inventories		282.06		282.06	300.25		300.25
Biological assets other than bearer plants	e	0.00	28.04	28.04	(0.00)	11.65	11.65
Financial assets							
Investments	c	1,565.89	364.40	1,930.29	1,610.99	295.59	1,906.58
Trade receivables		122.44		122.44	333.12		333.12
Cash and cash equivalents		27.17		27.17	56.30		56.30
Bank balances other than cash and cash equivalents		238.41		238.41	173.98		173.98
Loans		1.00		1.00	4.40		4.40
Other current assets		43.55		43.55	20.92		20.92
Total current asset		**2,280.52**	**392.44**	**2,672.96**	**2,499.96**	**307.24**	**2,807.20**
Total asset		**4,370.29**	**302.71**	**4,673.00**	**4,213.52**	**229.98**	**4,443.50**

NOTE : 38

FIRST TIME ADOPTION OF IND AS RECONCILIATION

38.1 Effect of Ind AS adoption on the Balance Sheet as at 31st Mar 2017 and 1st April 2016

	Notes	As at 31st March 2017			As at 1st April 2016		
		End of last period presented under previous GAAP			Date of transition		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Equity							
Equity share capital		62.74		62.74	62.74		62.74
Other equity	c,d,e&f	3,840.84	302.71	4,143.55	3,656.93	229.98	3,886.91
Total equity (shareholders' funds under previous GAAP)		**3,903.58**	**302.71**	**4,206.29**	**3,719.67**	**229.98**	**3,949.65**
Liabilities							
Non current liabilities							
Provisions		0.40		0.40	0.16		0.16
Total non current liabilities		**0.40**		**0.40**	**0.16**		**0.16**
Current liabilities							
Financial Liabilities							
Trade payables		180.94		180.94	169.85		169.85
Other financial liabilities		209.40		209.40	289.39		289.39
Provisions		68.90		68.90	21.41		21.41
Other current liabilities		7.07		7.07	13.04		13.04
Total current liabilities		**466.31**		**466.31**	**493.69**		**493.69**
Total equity and liabilities		**4,370.29**	**302.71**	**4,673.00**	**4,213.52**	**229.98**	**4,443.50**

Transition to Ind AS

In preparing its opening Ind AS Balance Sheet, the Company has adjusted, regrouped and reclassified the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards' along with the reconciliations of equity, total comprehensive income, balance sheet and cash flows in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

The Company has applied the following exemptions :

a. Property, plant and equipment – Deemed Cost

Ind AS 101 permits a first time adoption to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for investment property covered by Ind AS 40 'Investment Properties'. Accordingly, the Company has elected to measure all of its property, plant and equipment and investment property at the carrying value, based on Indian GAAP.

b. Measurement of financial assets and financial liabilities at fair value : Under Previous GAAP, all assets and liabilities that are now classified under the head financial assets and financial liabilities were carried at cost. Under Ind AS, however, certain financial assets and financial liabilities are subsequently measured at Fair Value which involves use of Fair Value Measurement hierarchy at the date of transition to Ind AS.

c. Fair valuation of Investments through profit and loss account: Under the Previous GAAP, short term investments in shares & mutual funds were measured at cost less diminution in value. Under the Ind AS, current investments are measured at fair value as at the transition date, the Company has made irrevocable choice to account for these investments at fair value through Profit & Loss (FVTPL).

d. Fair value changes with respect to investments in equity instruments designated at FVOCI (grouped under non-current investments) have been recognised in the other comprehensive income for the year ended 31st March 2017.

e. Under the previous GAAP, there were no specific guidelines for accounting of standing crop. Under Ind AS 41, standing crop is required to be valued at fair value. The standing crop of tea as on a date is calculated based on the estimated yield applying a crop index. The crop index is based on the plucking interval recommended and the estimated number of days since the previous round of harvesting. Based on the above method quantity of standing crop is arrived. The derived quantity is multiplied by the fair value as per Ind AS 113.

f. Deferred Tax: Under Ind AS, Deferred tax has been recalculated in respect of above changes and the deferred tax impact as at the transition date has been recognised in opening reserves and for the year ended March 31, 2017.

g. Actuarial gain/ loss on defined benefit plans: Under Ind AS, re-measurements i.e. actuarial gain and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liabilities are recognised in the other comprehensive income instead of Profit & Loss under previous GAAP all these re-measurements were forming part of the profit & loss for the year. There is no impact on the total equity. The current tax effect has been given adjustment to that extent.

h. Figures under previous GAAP have been regrouped/reclassified where ever required.

38.2 Reconciliation of total equity as at 31st March 2017 and 1st April 2016

	Note	As at 31 March 2017	As at 1 April 2016
Total equity (shareholder's fund) under previous GAAP		**3,903.58**	**3,719.67**
Effect of adjustments:			
Impact of fair valuation of current investment	c	364.40	295.59
Impact of fair valuation of equity through OCI	d	5.35	
Impact of biological assets accounted	e	28.04	11.65
Less : Tax effect	f	(95.08)	(77.26)
Total adjustment to equity		**4,206.29**	**3,949.65**

38.3 Effect of Ind AS adoption on statement of profit and loss for the year ended 31st March 2017

All amounts are in INR Lakhs unless otherwise stated

Particulars	Notes	As at 31st March 2017		
		End of last period presented under previous GAAP		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Revenue from operations	b	2,918.12	(6.14)	2,911.98
Other income	b & c	452.13	37.48	489.61
Total income		**3,370.25**	**31.34**	**3,401.59**
Expenses				
Cost of materials consumed	f	939.04	(1.18)	937.86
Purchase of stock in trade		0.87	-	0.87
Change in Inventories	f	18.10	6.53	24.63
(Gain) / loss on transformation of biological asset	g	0.00	(16.39)	(16.39)
Other Manufacturing Expenses	h	357.23	(357.23)	-
Employee benefit expense	a	1,222.23	(22.09)	1,200.14
Finance cost		2.51	-	2.51
Depreciation and amortization expense		95.51	-	95.51
Other expenses	b, c & f	540.29	314.39	854.68
Total expense		**3,175.78**	**(75.97)**	**3,099.81**
Profit before tax		194.47	107.31	301.78
Tax expense				
Current tax	e	10.56	2.21	12.77
Deferred tax	e	-	16.72	16.72
Profit for the period		**183.91**	**88.38**	**272.29**
Other comprehensive income				
(i) Items that will not be classified to statement of profit and loss				
Changes in fair value of FVOCI investments	d		5.35	5.35
Remeasurement of the defined benefit plan	a	-	(22.09)	(22.09)
Deferred Tax on above	e	-	1.10	1.10
Total other comprehensive income		-	(15.64)	(15.64)
Total comprehensive income for the period		**183.91**	**(104.02)**	**256.65**

a. Actuarial gain/ loss on defined benefit plans: Under Ind AS, re-measurements i.e. actuarial gain and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liabilities are recognised in the other comprehensive income instead of Profit & Loss under previous GAAP, all these re-measurements were forming part of the profit & loss for the year. There is no impact on the total equity.

b. Under Ind AS, forex gains have been regrouped under Other Income from Revenue from Operations.

c. Current investments in the nature of shares and mutual funds have been fair valued and the gains have been considered in the profit & loss account under Other Income.

d. Fair value changes in equity instuments designated as FVTOCI have been recognised through the Other Comprehensive Income.

e. The tax effect on a, c and d have been adjusted against profit & loss / OCI as the case may be.

f. The company uses the tea leaves plucked from its estates for its captive use in the manufacture of tea. Under the previous GAAP, the cost of cultivation of tea leaves were taken as the cost of green leaf in the valuation of black tea. As per Ind AS 41, agricultural produce harvested from an entity's biological asset is required to be measured at fair value less cost to sell at the point of harvest and such measurement is the cost when applying Ind AS 2 Inventories.

g. Under the previous GAAP, there were no specific guidelines for accounting of standing crop. Under Ind AS 41, standing crop is required to be valued at fair value. The standing crop of tea as on a date is calculated based on the estimated yield applying a crop index. The crop index is based on the plucking interval recommended and the estimated number of days since the previous round of harvesting. Based on the above method quantity of standing crop is arrived. The derived quantity is multiplied by the fair value as per Ind AS 113.

h. Figures under previous GAAP have been regrouped/reclassified where ever required.

All amounts are in INR Lakhs unless otherwise stated

38.4 Reconciliation of total comprehensive income for the year ended 31st Mar 2017

Particulars	Notes	Year ended 31 March 2017
Profit/(Loss) as per previous GAAP		1 83.91
Adjustments:		
Adjustments affecting at P&L level	a, b, e, f & g	8 8.38
Profit or loss for the year as per Ind AS		2 72.29
Other comprehensive income (net of tax)	a, d & e	(15.64)
Total comprehensive income under Ind AS		**2 56.65**

38.5 Effect of Ind AS adoption on the statement of cash flow for the year ended 31st Mar 2017

Particulars	for the year ended 31st March 2017			
	End of last period presented under previous GAAP			
	Notes	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Net cash flow from operating activities	(1)	9 0.43	(15.66)	74.77
Net cash flow from investing activities	(1)	(35.80)	(65.59)	(101.39)
Net cash flow from financing activities	(1)	(2.51)	0.00	(2.51)
Total		**52.12**	**(81.25)**	**(29.13)**
Cash and cash equivalent at the beginning of the period	(1)	56.30	(0.00)	56.30
Cash and cash equivalent at the end of the period	(1)	108.42	(81.25)	27.17

(1) Difference in cash flows between the previous GAAP and Ind AS have arisen mainly on account of reclassification.

38.6 Analysis for cash and cash equivalents as at 31st Mar 2017 and as at 1st Apr 2016 for the purpose of statement of cash flows under Ind AS:

Particulars	As at 31 March 2017	As at 1st April 2016
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	108.42	56.30
Effect of adjustments:		
- Reclassification of margin deposits	(81.25)	(0.00)
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	27.17	56.30

NOTE NO. 39
FAIR VALUE MEASUREMENT

Financial Instruments by category

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

Financial assets and liabilities

All amounts are in INR Lakhs unless otherwise stated

Particulars	31st March 2018			31st March 2017			1st April 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets:									
Non Current									
Investments *	-	271.15	-	-	301.46	-	-	0.01	-
Loans	-	-	4.96	-	-	3.81	-	-	4.34
Other financial assets			34.55			36.88			45.62
Current									
Investments	1,602.84	-	-	1,930.29	-	-	1,906.58	-	-
Trade Receivables	-	-	269.47	-	-	122.44	-	-	333.12
Cash and Cash Equivalents	-	-	164.65	-	-	27.17	-	-	56.30
Bank Balances other than Cash & Cash Equivalents	-	-	236.60	-	-	238.41	-	-	173.98
Loans	-	-	1.28	-	-	1.00	-	-	4.40
Total	**1,602.84**	**271.15**	**711.51**	**1,930.29**	**301.46**	**429.71**	**1,906.58**	**0.01**	**617.76**
Financial liabilities:									
Current									
Trade Payables	-	-	159.42	-	-	180.94	-	-	169.85
Other financial liabilities - Current	4.94	-	206.61			209.40			289.39
Total	**4.94**	**-**	**366.03**	**-**	**-**	**390.34**	**-**	**-**	**459.24**

* Does not include investments in Associates / Joint Venture recognised at cost.

39.1.1 Fair value hierarchy

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

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2018:

	Notes	Level 1	Level 2	Level 3	Total
Financial asset-					
Investment in Shares & Mutual Funds	A.2	1,554.73	48.11	-	1,602.84
Financial liability-					
Forward Cover Contracts - marked to market at the Balance Sheet date	A.2	4.94	-	-	4.94

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2017:

	Notes	Level 1	Level 2	Level 3	Total
Financial asset-					
Investment in Shares & Mutual Funds	A.2	1,897.39	32.90	-	1930.29

All amounts are in INR Lakhs unless otherwise stated

Financial assets and liabilities measured at fair value-recurring fair value measurements as at 1st April, 2016

	Notes	Level 1	Level 2	Level 3	Total
Financial asset-					
Investment in Shares & Mutual Funds	A.2	1,894.08	12.50	-	1,906.58

A.2 Valuation inputs and relationship to fair value

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

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

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

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

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

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2018:

	Notes	Level 1	Level 2	Level 3	Total
Non-Current Investments	B.2	-	271.15	-	271.15

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2017:

	Notes	Level 1	Level 2	Level 3	Total
Non-Current Investments	B.2	-	301.46	-	301.46

Financial assets and liabilities measured at fair value-recurring fair value measurements as at April 01, 2016:

	Notes	Level 1	Level 2	Level 3	Total
Non-Current Investments	B.2	-	0.01	-	0.01

B.2 Valuation inputs and relationship to fair value

The fair value is determined based on valuation reports / recent transactions including potential transactions within a reasonable period to the balance sheet date.

C. Fair value of Financial Instruments measured at amortised cost :

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables, loans, liabilities,other laibilities and assets the management considers that the carrying amount of assets and liabilities.

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

D. Valuation inputs and relationship to fair value

There are no material level 3 fair value measurements in respect of the financial assets and liabilities of the company.

NOTE NO. 40
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and toprovide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed by the senior management in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by professionals who have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2018. The sensitivity analysis for equity price risk has been prepared on the basis of the fair value of the equity investments carried as FVTPL (under current investments) and basis change in equity price.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with fixed & floating interest rates.

NOTE
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd....)*

Sensitivity Analysis of the Interest Rate

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

		Effect on profit before tax in INR lakhs	
31st March 2018		31st March 2018	31st March 2017
INR	100bp increase	(0.04)	(0.03)
INR	100bp decrease	0.04	0.03

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by using foreign currency forward contracts.

When a derivative is entered into for the purpose of being ahedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

(1) Foreign Currency Risk Exposure

The company exposure to foreign currency risk at the end of the year expressed in INR as follows:

Financial Assets	31st March 2018 (in Lakhs)	31st March 2017 (in Lakhs)
Trade Receivables - USD	213.44	108.21
Forward Cover Contracts - USD	647.53	-
Net unhedged Exposure - USD	(434.09)	108.21

(2) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non- designated foreign currency derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Sensitivity Ananlysis

		Effect on profit before tax in INR lakhs	
		31st March 2018	31st March 2017
USD Exposure in INR	1% -Strengthening	(4.34)	1.08
USD Exposure in INR	1% -Weakening	4.34	(1.08)

NOTE
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES ***(Contd....)***

(c) Equity price risk

The company carries a significant amount of investments held as FVTPL (under current investments) which are affected by swings in the equity price in the market. The risk of equity price changes are managed by the company by closely monitoring the market position and accodingly determining the entry and exit into the markets from time to time and also by having a diversified portfolio of investments.

Sensitivity Ananlysis

		Effect on profit before tax in INR lakhs	
		31st March 2018	31st March 2017
Equity price exposure of current investments	1% -Strengthening	16.03	19.30
Equity price exposure of current investments	1% -Weakening	(16.03)	(19.30)

(d) Commodity price risk

The prices of agricultural commodities are subject to fluctuations due to various factors. In the ordinary course of business, the company is exposed to commodity price risk to the extent its open sales are not balanced by inventory. The company has in place in a risk management policy to manange such risk by having conscious limits on the sales committed for future periods for which production is yet to be completed and inventiory in place.

(B) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are set with approvals on the basis of the defined policies. Outstanding customer receivables are regularly monitored and exposures are kept with in the credit limits fixed for each customer.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Particulars	31 March 2018	31 March 2017
No of Customers to whom Sales made is more than 10% of the Turnover	2	4
Contribution of Customers in Sales more than 10% of Turnover	44.81%	58.07%

Particulars	31 March 2018	31 March 2017
No of Customers who owed more than 10% of the Total receivables	4	2
Contribution of Customers in owing more than 10% of Total receivables	73.72%	88.38%

NOTE

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES ***(Contd....)***

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party.

The Company's maximum exposure to credit risk for the components of the balancesheet at 31 March 2018 and 31 March 2017 is the carrying amounts as mentioned in Notes.

(C) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank over drafts and bank loans. The Company assessed the concentration of risk with respect tore financing its debt and concluded it to below. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended 31st March 2018	on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Interest-bearing loans and borrowings	-	-		-	-	-
Other financial liabilities	150.24	56.37	4.94	-	-	211.55
Trade and other payables	-	159.42	-	-	-	159.42
Year ended 31 March 2017						
Interest-bearing loans and borrowings	-	-	-	-	-	-
Other financial liabilities	150.29	59.11	-	-	-	209.40
Trade and other payables	-	180.94	-		-	180.94

NOTE NO. 41

CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by fund attributable to Equity Shares Holders. The company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits, excluding discontinued operations.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

The company's borrowing facilities comprising cash credit facility of Rs.275 Lakhs - Cash credit & Export Packing Credit in foreign currency which is secured by hypothecation of stock-in-trade, standing crops book debts, vehicles and also equitable mortgage of Katary Estate with Buildings thereon.

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017

NOTE NO. 41
CAPITAL MANAGEMENT ***(Contd....)***

The company had access to the following undrawn borrowing facilities at the end of the reporting period.

	31 March 2018	31 March 2017
Fund Based facilities	375.00	375.00
Non Fund Based facilities	2,130.00	2,130.00

NOTE NO. 42
DEPOSITS AND ADVANCES IN THE NATURE OF LOANS TO ASSOCIATES / JV

Particulars	Nature	Maximum Amount outstanding during the year	Balance outstanding as on March 31, 2018	Maximum Amount outstanding during the pervious year	Balance outstanding as on March 31, 2017
AVT Nature Products Limited	Associate	-	-	-	-
Midland Corporate Advisory Services Pvt. Ltd.	Associate	-	-	-	-
AVT McCormick Ingredients Pvt. Ltd.	Joint Venture	-	-	-	-

* There were no deposits and advances in the nature of loans made by company to the firms/companies in which directors are interested.

NOTE NO. 43
DIVIDENDS

Dividends paid during the year 2017-18 represent Final Dividend of 20% declared in the financial year 2016-17 (Rs.151.02 lakhs inclusive of DDT).

The dividends declared by Neelamalai Agro Industries Limited are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of Neelamalai Agro Industries Limited. Subsequent to March 31, 2018, the Board of Directors of Neelamalai Agro Industries Limited have proposed a dividend of Rs.20 per share (200 percent) in respect of financial year 2017-18. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately INR Rs.151.02 lakhs, inclusive of corporate dividend tax.

As per our Report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No. 003990S/S200018

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 29.05.2018

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
Din : 00018691

F. S. Mohan Eddy
Director
Din : 01633183

T. M. Harikumar
Company Secretary & CFO

CONSOLIDATED STATEMENTS

INDEPENDENT AUDITORS' 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 (hereinafter referred to as "the Holding Company")and its share of the profit of its associates and joint venture (the Holding Company and its associates and joint venture together referred to as "the group"), comprising the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venturein accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 consolidated 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 these consolidated 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group including its associates and joint ventureas at 31st March 2018, and their consolidated profit (including other comprehensive income), their consolidated cash flows and their consolidated statement of changes in equity for the year ended on that date.

Other Matters

The consolidated financial statements include the Group's share of net profit of Rs. 1.47lakhs for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

The comparative financial information of the group for the year ended 31st March 2017 prepared under the previous GAAP have been audited by Suri & Co, Chartered Accountants (Firm's Registration No.004283S). We have audited the adjustments made for these periods for Ind AS transition The report of the predecessor auditor on the comparative financial information dated 30thMay 2017 (for the year ended 31 March 2017) expressed an unmodified opinion.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

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 and the report of the other auditor.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts 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.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate and joint venture companies incorporated in India, none of the directors of the Group companies including its associate and joint venture companies incorporated in India are disqualified as on 31st March, 2018from 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 excluding an associate, which does not exceed the threshold limit prescribed under Section 143(3)(i),and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (g) With respect to the other matters to be included in the Auditor's Report on Consolidated Financial Statements in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group including associates and joint venture – Refer Note 34 to the consolidated financial statements.

      ii. The Group including associates and joint venture did not have any material foreseeable losses on long-term contracts. Derivatives are marked to market (Refer Note 40).

      iii. There was a delay in transfer to the Investor Education and Protection Fund by the Company, of a sum of Rs.2.24 lakhs relating to preference capital redeemed by the company in 1993, which has been remitted in May 2018.

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

T V Balasubramanian
Partner
Membership No.027251

Chennai
29.05.2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

To the members of Neelamalai Agro Industries Limited

Referred to in paragraph 1(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of Neelamalai Agro Industries Limited

Report on the Internal Financial Controls 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 March 31, 2018, we have audited the internal financial controls over financial reporting of Neelamalai Agro Industries Limited (hereinafter referred to as "the Holding Company"), one associate company and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, one associate company and joint venture, which are companiesincorporated 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's (excluding one associate company which does not exceed the threshold limit prescribed under Section 143(3)(i)) 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 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below,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 consolidated 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 consolidated 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 consolidated 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, one associate company and joint venture, 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company,one associate company and joint venture incorporated in India 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 PKF Sridhar &Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

T V Balasubramanian
Partner
Membership No.027251

Chennai
29.05.2018

CONSOLIDATED BALANCE SHEET

As at 31 st March 2018

All amounts are in INR Lakhs unless otherwise stated

Particulars	Note No.	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Assets				
Non-current Assets				
Property, plant and equipment	4	657.62	698.76	654.27
Capital work in progress	4	95.92	3 9.93	---
Investment property	5	269.82	269.82	269.82
Investments accounted for using the equity method	6	10,755.33	9,975.39	8 ,959.47
Financial assets				
i) Investments	6	271.15	301.46	0.01
ii) Loans	7	4.96	3.81	4 .34
iii) Other financial assets	8	34.55	36.88	45.62
Current Tax Assets (net)		9.79	1 1.52	6 .11
Deferred tax assets (net)	9	-	8 .65	32.74
Other non-current assets	10	93.81	30.24	24.42
Total non-current assets		**12,192.95**	**11,376.46**	**9,996.80**
Current assets				
Inventories	11	416.69	2 82.06	300.25
Biological assets other than bearer plants	12	20.16	28.04	11.65
Financial assets				
i) Investments	13	1,602.84	1,930.29	1,906.58
ii) Trade receivables	14	269.47	1 22.44	333.12
iii) Cash and cash equivalents	15	164.65	27.17	5 6.30
iv) Bank balances other than cash and cash equivalents	15	236.60	238.41	173.98
v) Loans	7	1.28	1.00	4 .40
Other current assets	10	45.13	43.55	20.92
Total current assets		**2,756.82**	**2,672.96**	**2,807.20**
Total assets		**14,949.77**	**14,049.42**	**12,804.00**
Equity				
Equity Share Capital	16	62.74	62.74	6 2.74
Other Equity	17	14,286.47	13,519.97	12,247.41
Total equity		**14,349.21**	**13,582.71**	**12,310.15**
Non-current liabilities				
Provisions	18	0.49	0.40	0.16
Deferred tax liabilities (net)	9	21.61	-	-
Total non-current liabilities		**22.10**	**0.40**	**0.16**
Current liabilities				
Financial Liabilities				
i) Trade payables	19	159.42	180.94	169.85
ii) Other financial liabilities	20	211.55	209.40	289.39
Provisions	18	184.96	68.90	21.41
Other current liabilities	21	22.53	7.07	13.04
Total current liabilities		**578.46**	**466.31**	**493.69**
Total liabilities		**600.56**	**466.71**	**493.85**
Total equity and liabilities		**14,949.77**	**14,049.42**	**12,804.00**

See accompanying notes to the financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 29.05.2018

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
Din : 00018691

F. S. Mohan Eddy
Director
Din : 01633183

T. M. Harikumar
Company Secretary & CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year Ended 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

	Particulars	Note No.	**As at 31st March 2018**	As at 31st March 2017
I	Revenue From Operations	22	2,970.80	2,911.98
II	Other Income	23	115.66	198.70
III	**Total Income (I+II)**		**3,086.46**	**3,110.68**
IV	**EXPENSES**			
	Cost of materials consumed	24	818.13	937.86
	Purchases of stock-in-trade	25	1.15	0.87
	Change in inventories	26	(149.20)	24.63
	(Gain) / loss on transformation of biological asset		7.88	(16.39)
	Employee benefits expense	27	1,349.72	1,200.14
	Finance costs	28	3.57	2.51
	Depreciation and amortization expense	29	106.65	95.51
	Other expenses	30	895.14	854.68
	Total expenses (IV)		**3,033.04**	**3,099.81**
V	Profit/(loss) before share of net profits of investments accounted for using equity method and tax from (III-IV)		53.42	10.87
VI	Share of net profits of associates and joint ventures accounted for using equity method		1,232.56	1,182.92
VII	Profit before tax from (V + VI)		1,285.98	1,193.79
VIII	Tax expense:			
	(1) Current tax (Including MAT credit utilisation CY 30.41; PY 6.28)	32	73.96	12.77
	(2) Deferred tax	32	6.43	16.72
IX	Profit/(loss) for the period		**1,205.59**	**1,164.30**
X	**Other Comprehensive Income**			
	A Items that will not be reclassified to profit or loss			
	(i) Changes in fair value of FVOCI investments		(31.75)	5.35
	(ii) Remeasurement of the post-employement benefit obligations		(146.21)	(22.09)
	(iii) Share of other comprehensive income of associates and joint ventures accounted for using the equity method		0.71	(20.98)
	(iv) Income tax relating to items that will not be reclassified to profit or loss		35.84	1.10
	B Items that will be reclassified to profit or loss			
	(i) Share of other comprehensive income of associates and joint ventures accounted for using the equity method,net of tax		(146.67)	144.88
	Other comprehensive Income for the year, net of tax		**(288.08)**	**108.26**
XI	**Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**917.51**	**1,272.56**
XII	Earnings per equity share (Face value of Rs.10/- each)			
	(1) Basic	**33**	**192.17**	**185.59**
	(2) Diluted	**33**	**192.17**	**185.59**

See accompanying notes to the financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 29.05.2018

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
Din : 00018691

F. S. Mohan Eddy
Director
Din : 01633183

T. M. Harikumar
Company Secretary & CFO

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

	Year ended 31 March 2018	Year ended 31 March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,285.98	1,193.79
Adjustments for:		
Depreciation and amortisation	106.65	95.51
(Profit) / Loss on sale of investments	(6.29)	13.04
(Profit) / Loss on sale of assets	(3.12)	(0.06)
Share of net profit of associates and joint ventures accounted for using equity method	(1,232.56)	(1,182.92)
Provision for Gratuity in P&L	180.28	60.65
Provision for Leave Encashment	5.17	8.65
Provision for Gratuity in OCI	(146.21)	(22.09)
Fair value gains recognised on investments	(77.57)	(109.21)
Fair value on FVTOCI instruments recognised in OCI	(31.75)	5.35
Fair value changes to Biological assets	7.88	(16.39)
Interest Income	(6.69)	(3.96)
Dividend Received	(21.61)	(77.84)
Interest Expense	3.57	2.51
Operating profit before working capital changes	**63.73**	(32.97)
Adjustments for working capital changes		
(Increase) / Decrease in Inventories	(134.63)	18.19
(Increase) / Decrease in Loans	(1.43)	3.93
(Increase) / Decrease in Other Current Assets	(1.58)	(22.63)
(Increase) / Decrease in Other Non-Current Assets	(57.97)	(5.02)
(Increase) / Decrease in Other Non-Current Financial Assets	2.33	8.74
(Increase) / Decrease in Trade and other Receivables	(147.03)	2 10.68
Increase / (Decrease) in Other Financial Liabilities	2.15	(79.99)
Increase / (Decrease) in Other Liabilities	15.46	(5.97)
Increase / (Decrease) in Trade payables	(21.52)	11.09
Increase / (Decrease) in Provisions	(69.30)	(21.57)
	(349.79)	84.48
Net income tax paid	**(12.56)**	(9.71)
Net cash (used) / generated in operating activities (A)	**(362.35)**	74.77
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant & equipment	(141.05)	(182.31)
Proceeds from disposal of property, plant & equipment	17.08	1.63
Interest received during the year	6.69	3.96
Dividend received on investment	21.61	77.84
Dividend received from associate / JV	306.65	290.91
Investment in Shares & Mutual Funds (Net)	441.62	(228.99)
Bank balances not considered as cash and cash equivalents:		
Matured	1.81	(64.43)
Net cash generated / (used in) from investing activities (B)	**654.41**	(101.39)

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

	Year ended 31 March 2018	Year ended 31 March 2017
C. CASH FLOW FROM FINANCING ACTIVITIES*		
Interest Paid	(3.57)	(2.51)
Dividend Paid including Dividend Distribution Tax	(151.01)	---
Net cash generated / (used in) from financing activities (C)	**(154.58)**	(2.51)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	137.48	(29.13)
Cash and Cash equivalents at the beginning of the year	27.17	56.30
Cash and Cash equivalents at the end of the year	**164.65**	27.17
Components of cash and cash equivalents		
Cash and Bank Balances (Refer Note No. 15)	164.65	27.17
	164.65	27.17

* Refer foot note for Net Debit Reconciliation

See accompanying notes to the financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 29.05.2018

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
Din : 00018691

F. S. Mohan Eddy
Director
Din : 01633183

T. M. Harikumar
Company Secretary & CFO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Period ended 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

A. Equity Share Capital

	Amount
Balance as at 1st April 2016	62.74
Changes in equity share capital during the year	---
Balance as at 31st March 2017	62.74
Changes in equity share capital during the year	---
Balance as at 31st March 2018	62.74

B. Other Equity

	Reserves and Surplus				Items of Other Comprehensive Income			Total
	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	FVOCI - equity investments	Cash flow Hedging Reserve	Foreign Currency Translation Reserve	
Balance as at 1st April 2016	27.27	0.14	8,625.24	3,594.76	-	-	-	12,247.41
Profit for the year	-	-	-	(18.62)	-	-	-	(18.62)
Share of net profit of associates and joint ventures accounted for using equity method	-	-	-	1,182.92	-	-	-	1,182.92
Other comprehensive income for the year	-	-	-	(19.90)	4.25	-	-	(15.65)
Share of other comprehensive income of associates / joint venture net of tax	-	-	-	(20.98)	-	90.42	54.47	123.91
Dividends paid	-	-	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-
Balance as at 31st March 2017	**27.27**	**0.14**	**8,625.24**	**4,718.18**	**4.25**	**90.42**	**54.47**	**13,519.97**
Profit for the year	-	-	-	(26.97)	-	-	-	(26.97)
Share of net profit of associates and joint ventures accounted for using equity method	-	-	-	1,232.56	-	-	-	1,232.56
Other comprehensive income for the year	-	-	-	(115.85)	(26.26)	-	-	(142.11)
Share of other comprehensive income of associates / joint venture net of tax	-	-	-	0.71	-	(97.94)	(48.74)	(145.97)
Dividends paid	-	-	-	(125.46)	-	-	-	(125.46)
Dividend distribution tax	-	-	-	(25.55)	-	-	-	(25.55)
Transfer to reserves	-	-	-	-	-	-	-	-
Balance as at 31st March 2018	**27.27**	**0.14**	**8,625.24**	**5,657.62**	**(22.01)**	**(7.52)**	**5.73**	**14,286.47**

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

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 29.05.2018

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
Din : 00018691

F. S. Mohan Eddy
Director
Din : 01633183

T. M. Harikumar
Company Secretary & CFO

CONSOLIDATED STATEMENT OF NET DEBT RECONCILIATION

For the year ended 31st March 2018

All amounts are in INR Lakhs unless otherwise stated

***Net debt reconciliation**

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Net debt			
Cash and cash equivalents	164.65	27.17	56.30
Current Investment	1,602.84	1,930.29	1,906.58
Current Borrowings	-	-	-
Net (debt)/ Cash & Cash Equivalents	**1,767.49**	**1,957.46**	**1,962.88**

	Accrued during the Year		Paid during the Year	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Finance Cost				
Interest on Short term borrowings	3.57	2.51	3.57	2.51
Total	**3.57**	**2.51**	**3.57**	**2.51**

	Other Assets		Borrowings	
	Cash and cash equivalents	Current Investments	Short Term Borrowings	Total Net borrowings
Net (debt)/ Cash & Cash Equivalents as at 1 April 2016	56.30	1,906.58	-	1,962.88
Cash Flows	(29.13)	(85.50)	-	(114.63)
Unrealised fair value gains on current investments	-	109.21	-	109.21
Interest expense	-	-	(2.51)	2.51
Interest paid	-	-	2.51	(2.51)
(Net debt)/ Cash & Cash Equivalents as at 31 March 2017	**27.17**	**1,930.29**	-	**1,957.46**
Net (debt)/ Cash & Cash Equivalents as at 1st April 2017	**27.17**	**1,930.29**	-	**1,957.46**
Cash Flows	137.48	(405.02)	-	(267.54)
Unrealised fair value gains on current investments	-	77.57	-	77.57
Interest expense	-	-	(3.57)	3.57
Interest paid	-	-	3.57	(3.57)
(Net debt)/ Cash & Cash Equivalents as at 31 March 2018	**164.65**	**1,602.84**	-	**1,767.49**

NOTES

1. GENERAL INFORMATION

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

This Consolidated Financial Statement include its associates and its joint venture as under:

a) Associates:

AVT Natural Products Limited

Midland Corporate Advisory Services Private Limited

b) Joint Venture:

AVT McCormick Ingredients Private Limited

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

The financial statements of the group have been prepared in accordance with Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

2.2 BASIS OF PREPARATION AND PRESENTATION

The Ministry of Corporate Affairs ('the MCA'), Government of India in exercise of the powers conferred by Section 133 read with Section 469 of the Companies Act, 2013 (The 'Act') and subsection 1 of section 210A of the Companies Act 1956 (The Erstwhile Act) in consultation with National Advisory Committee on Accounting Standards vide G.S.R. 111(E) dated 15th February, 2015 notified Rules called Companies (Indian Accounting Standard) Rules 2015 effective from April 1, 2015. The MCA wide notification GSR 111(E) dated March 30, 2016 issued certain amendments to IND AS vide Companies (Indian Accounting Standards) Amendment Rules 2016. The MCA wide notification GSR 404(E) dated April 6, 2016 introduced amendments to Schedule III of the Act, requiring companies to prepare the consolidated financial statements in compliance with companies (Indian accounting standards) Rules 2015.

The group has resolved to adopt IND AS in preparation of consolidated financial statements for the year ended March 31, 2018. Pursuant to the above resolution and rules framed by MCA, the group has prepared its consolidated financial statements as per IND AS for the year ended March 31, 2017 with April 1, 2016 being the date of transition.

The comparative figures in the balance sheet as at March 31, 2017 and April 1, 2016 and Statement of Profit and loss and cash flow statement for the year ended March 31, 2017 have been restated accordingly.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if the market participants would take into account the characteristics when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis except, where measurement that have some similarities to fair value but are not fair value, such as, net realisable value in Ind AS 2 (inventories) or value in use in Ind AS 36 (Impairment of Asset).

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degrees to which the inputs to fair value measurement are observable and the significant of inputs to the fair value measurement in its entirety, which are described as follows:

NOTES (*contd.*)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or Indirectly; and

Level 3 inputs are unobservable inputs for the assets or liabilities

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

New standards notified and adopted by the Group:

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated 17 March 2017, Ministry of Corporate Affairs (MCA) has notified amendments to two new standards namely Ind AS 102 Share-based Payment and Ind AS 7 Statement of Cash Flows which will be effective prospectively from 1 April 2017.

During the year, there are no share based payment transactions and hence Ind AS 102 is not applicable to the Group.

Further, amendment in Ind AS 7 pertains to additional disclosure requirement such as "An entity will be required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes."Relevant disclosure in this regard has been provided under Cash Flow Statement.

Accounting standards notified but effective at a later date

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018. Information on new standards, amendments and interpretations that are expected to be relevant to the financial statements is provided below.

Revenue from Contracts with Customers (Ind AS 115)

One new standard notified by MCA (not yet effective) for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer
ii. Identification of the performance obligations in the contract
iii. Determination of the transaction price
iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
v. Recognition of revenue when the Group satisfies a performance obligation.

The group is in the process of reviewing the main types of commercial arrangements used with customers under this model and on a very broad, preliminary analysis and pending a detailed review determines that the application of Ind AS 115 may not have a material impact on the results or the financial position.This standard is mandatory for accounting periods beginning on or after 1st April 2018. The group is planning to apply the standard retrospectively, utilising the practical expedient to not restate contracts that begin and end within the same annual accounting period.

A number of standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112). None of these amendments are expected to have any material effect on the group's financial statements.

None of these amendments are expected to have any material effect on the company's financial statements.

NOTES (*contd.*)

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

a. Financial assets at Fair value through other comprehensive income are measured at fair value.

b. Financial assets at fair value through Profit or loss are measured at fair value.

c. The defined benefit asset is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

The above items have been measured at fair value and the methods used to measure fair values are discussed further in Note 39.

Principles of equity accounting

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

AVT Natural Products Limited and Midland Corporate Advisory Services Private Limited are considered as Associates considering the fact that it holds significant shareholding / significant influence over these companies.Interest in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.In respect of investment in AVT Mccormick Ingredients Private Limited, on transition to Ind AS, the investment has been evaluated to be a Joint Venture in view of the investment in this company being in terms of the joint venture agreement by companies under common control with McCormick group of the USA.

2.3 Functional and Presentation Currency

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

2.4 First - time adoption of Ind AS

The Group has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Group is provided in Note 38. Reconciliation and description of the effect of transition from previous GAAP to Ind AS on Equity, Profit & Loss, Total Comprehensive Income and Cash Flow are provided in Note 38.

For the periods up to and inclusive of year ended March 31, 2017, the Group prepared its financial statement in accordance with accounting standards specified in section 133 of the Companies act 2013 read together with rule 7 of Companies (Accounts) Rules 2014 (Previous GAAP).

Ind AS 101 requires that all Ind AS financial statements be applied consistently and retrospectively for all fiscal years presented. However, this standard provides some exceptions and exemptions are as discussed below:

Exceptions to retrospective application of other Ind AS

i. **Estimates:** An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies), unless there is an objective evidence that those estimates were in error. The Group has not made any changes to estimates made in accordance with Previous GAAP.

ii. **Ind AS 109 – financial instruments (Derecognition of previously recognised financial assets/liabilities)** An entity shall apply the Derecognition Requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Group has applied the Derecognition requirements prospectively.

iii. **Ind AS 109 (Financial instruments classification and measurement of financial asset)** Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of Transition to Ind AS. The Group has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial asset and accordingly has classified and measured financial assets on the date of transition.

NOTES (*contd.*)

iv. **Ind AS 109 financial instruments (Impairment of financial assets)**The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Exemptions from retrospective application of IND AS

i. **Ind AS 16 Property, Plant and equipment**An entity may elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of PPE by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost. The Group has elected to continue with the carrying amount for all of its PPE measured as per Previous GAAP and use that as its deemed cost as at the date of transition.

ii. **Ind AS 17 leases** An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes land and building elements, an entity shall assess the Classification of each element as finance or operating lease. The Group has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

iii. **Ind AS 109 financial instruments** Ind AS 109 permits an entity to designate a Financial liability, financial asset at fair value through profit or loss on the basis of facts and circumstances that exists at the date of transition to Ind AS. The Group has designated financial liabilities and financial assets as FVTPL based on the assessment made on the date of transition to Ind AS.

An entity may designate an investment in an Equity instrument at fair value through other comprehensive income (FVTOCI) in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Group has designated unquoted equity instruments in companies (held as non current investments) as at FVTOCI, based on the assessment made on the date of transition to Ind AS.

2.5. Property, plant and equipment :

a. Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss based on cost model. The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the enterprise and
- Cost of item can be measured reliably.

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

Bearer Plants are recogsnied under property, plant & equipment on the fullfillment of the following conditions:

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

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

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Capital work in progress represents projects under which the property, plant and equipments are not yet ready for their intended use and are carried at cost determined as aforesaid.

NOTES (*contd.*)

b. Depreciation:

Tangible property, plant & equipment are depreciated on straight line method adopting the useful life & residual value as specified in Schedule II of the Companies Act 2013, except for in the case of certain other assets which include plant & machinery and tea bushes for which useful life is based on technical evaluation and assets costing individually less than Rs.5000/- are depreciated at 100%. Depreciation for assets purchased / sold during a period is proportionately charged based on the actual useful life.

Useful life adopted based on technical evaluation are as under:

Tea Bushes : 50 years

Farm Field Equipments : 5 years

2.6. Impairment of tangible asset

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

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

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

2.7. Inventories

Finished goods are stated at the lower of the cost or net realisable value. Cost is determined on weighted average method for all categories of the inventory. Cost of raw material and traded goods comprises cost of purchase. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods comprises direct materials, direct labour and appropriate proportion of variable and fixed overhead expenditure. Finished goods comprising agricultural produce that the Company has harvested from its biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made for obsolete, non-moving & defective stocks, wherever necessary.

2.8. Employee benefits - Retirement benefit costs and termination benefits

2.8.1 Defined Contribution Plans

Payment to defined contribution towards retirement benefit plans i.e. Provident Fund, Family Pension Fund & Super Annuation Schemes are recognised as an expense in the Statement of Comprehensive Income when an employee have rendered service entitling them to the contributions.

2.8.2 Defined Benefit Plans

For defined benefit retirement benefit plans, the cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit cost are categorised as follows:

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

NOTES (*contd.*)

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

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

2.8.3 Compensated Absences

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

2.8.4 Short Term Obligations

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

2.9. Financial Instruments

2.9.1 Investments & other Financial Assets

a) Initial Recognition and Measurement

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

b) Subsequent Measurement

i) Financial assets carried at amortised cost (AC)

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

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

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

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

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

c) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

d) Impairment of Financial Assets

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

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

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

NOTES (*contd.*)

e) Derecognition of Financial Assets

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

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.9.2 Financial Liabilities

a) Initial Recognition and Measurement

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

b) Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) Derecognition of Financial Liabilities

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

d) Offsetting of financial instruments

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

f) Equity instruments

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

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

2.10. Foreign currency transaction:

Initial Recognition

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

Subsequent Recognition

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

Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are converted at the year end exchange rates and the resultant loss or gain is dealt with in the Profit and Loss Account.

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates and the resultant gain or loss is dealt with accordingly.

One associate and one joint venture company whose share of profits / OCI are included in this financials have established Cash flow hedge relationship with regard to the foreign exchange forward contracts taken by them. Accordingly, the associate and joint venture entities have adopted hedge accounting for the same.

NOTES (*contd.*)

2.11. Revenue recognition:

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

Sale of Goods:

Revenue from sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- All significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- Amount of revenue can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the group,and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Dividends:

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

Subsidies and export incentives:

Government incentives in the form of subsidy for replanting and rejuvenation of tea bushes extended by Tea Board of India, Subsidy for production of orthodox teas and Subsidy under MEIS are recognised when there is a reasonable assurance that the conditions attaching to the incentive would be complied and the incentives will be received.

Subsidy for replanting of tea bushes extended by tea board of India are initially recognised as deferred income and recognised in Statement of profit & loss over the same period when the related costs are recognised.

2.12. Borrowing costs:

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

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

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

2.13. Assets taken on Lease:

The Group applies Appendix C of Ind AS 17 'Leases' for determining whether an arrangement contains a Lease. Further, leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2016, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

NOTES (*contd.*)

2.14. Taxation

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

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

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

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

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

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

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

2.15. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right 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.

2.16 Provisions & contingent liability:

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

NOTES (*contd.*)

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

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

2.17 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

a) Transactions of a non-cash nature.

b) Any deferrals or accruals of past or future operating cash receipts or payments and

c) Items of income or expense associated with investing or financing cash flows.

The Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

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

For the purpose of presentation in the statement of cash flow, cash and cash equivalents include cash on hand, highly liquid investment with original maturities of 3 months of less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and bank overdraft. Bank overdrafts are shown within borrowings under current liabilities in the balance sheet.

2.18 Dividends:

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

2.19 Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Division II of Schedule III, unless otherwise stated.

2.20 Segment Reporting:

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

2.21 Biological assets and other bearer plants

Biological assets are measured at fair value less cost to sell. Cost to sell include incremental selling costs, including auctioneers fee, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

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

NOTES (*contd.*)

2.22 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as Investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefit associated with the expenditure will flow to the group and cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognised.

3. Critical judgements & Estimates in applying accounting policies

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

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

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

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

- **Taxation:**

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

- **Defined benefit plans:**

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

- **Provisions & Contingencies:**

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

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

- **Fair Value of financial instruments and biological assets:**

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

NOTE : 4

Property, Plant and Equipment

(All amounts are in INR Lakhs unless otherwise stated)

	Freehold land and development	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	CWIP - Bearer Plants	CWIP - Others
Cost or valuation								
At 1 April 2016	266.71	156.28	120.50	10.52	100.26	**654.27**	---	---
Additions / Transfer	---	---	8.49	1.79	131.29	**141.57**	38.42	1.51
Disposals	---	---	---	---	1.86	**1.86**	---	---
At 31 March 2017	**266.71**	**156.28**	**128.99**	**12.31**	**229.69**	**793.98**	**38.42**	**1.51**
Additions / Transfer	---	2.76	38.90	0.15	36.15	**77.96**	54.17	3.33
Disposals	---	---	---	---	19.91	**19.91**	---	1.51
At 31 March 2018	**266.71**	**159.04**	**167.89**	**12.46**	**245.93**	**852.03**	**92.59**	**3.33**
Depreciation and impairment								
At 1 April 2016	---	---	---	---	---	---	---	---
Depreciation charge for the year	---	17.37	35.12	3.39	39.63	95.51	---	---
Disposals	---	---	---	---	0.29	0.29	---	---
At 31 March 2017	---	**17.37**	**35.12**	**3.39**	**39.34**	**95.22**	---	---
Depreciation charge for the year	---	15.55	27.15	2.22	61.73	106.65	---	---
Disposals	---	---	---	---	7.46	7.46	---	---
At 31 March 2018	---	**32.92**	**62.27**	**5.61**	**93.61**	**194.41**	---	---
Net Block								
at 1 April 2016	266.71	156.28	120.50	10.52	100.26	654.27	---	---
at 31 March 2017	266.71	138.91	93.87	8.92	190.35	698.76	38.42	1.51
at 31 March 2018	266.71	126.12	105.62	6.85	152.32	657.62	92.59	3.33

Note: The company does not have any leasehold property.

The Group has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition i.e. 1 April 2016 and hence the carrying amount (netblock) as per previous GAAP on that date has been considered as gross block. (Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 under previous GAAP)

As on 1st April 2016	Freehold land and development	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	CWIP - Bearer Plants	CWIP - Others
Gross Block	266.71	381.03	699.71	63.66	239.27	1,650.37	---	---
Accumulated Depreciation	---	224.75	579.21	53.14	139.01	996.10	---	---
Net Block	**266.71**	**156.28**	**120.50**	**10.51**	**100.26**	**654.27**	---	---

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 5			
INVESTMENT PROPERTY - LAND			
Opening balance	269.82	269.82	269.82
Additions (subsequent expenditure)	---	---	---
Closing balance	**269.82**	**269.82**	**269.82**
Depreciation and impairment			
Opening balance	---	---	---
Depreciation for the current period	---	---	---
Closing balance	---	---	---
Net Investment Property	269.82	269.82	269.82
Fair Value of the Investment property	318.41	318.41	318.41

Information regarding income and expenditure of Investment property

Particulars	31 March 2018	31 March 2017
Rental income derived from investment properties	---	---
Direct operating expenses (including repairs and maintenance) generating rental income	---	---
Direct operating expenses (including repairs and maintenance) that did not generate rental income	---	---
Profit arising from investment properties before depreciation and indirect expenses	---	---
Less – Depreciation	---	---
Profit arising from investment properties before indirect expenses	---	---

All amounts are in INR Lakhs unless otherwise stated

	Nature	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 6				
NON CURRENT INVESTMENTS				
Investment in equity shares of associate / joint venture companies using equity method	Nature			
Investments in equity shares of associate companies				
Quoted				
AVT Natural Products Limited - 6,09,13,600 shares (As at 31-3-17 - 6,09,13,600 shares, As at 01-04-16 - 6,09,13,600 shares)	Associate	8,877.41	8,309.87	7,537.46
Un-quoted				
Midland Corporate Advisory Services Private Limited - 2,50,000 shares (As at 31-3-17 - 2,50,000 shares, As at 01-04-16 - 2,50,000 shares)	Associate	8.63	7.16	11.30
Investments in equity shares of JV				
Un-quoted				
AVT McCormick Ingredients Pvt. Ltd. - 31,50,000 shares (As at 31-3-17 - 31,50,000 shares, As at 01-04-16 - 31,50,000 shares)	Joint Venture	1,869.29	1,658.36	1,410.71
Less: Provision for diminution in value of investments		---	---	---
Sub Total		**10,755.33**	**9,975.39**	**8,959.47**
Investments at fair value through Other Comprehensive Income				
Investment in Equity Shares				
Unquoted				
L.J.International Limited - 64 shares (64 shares at 31/03/17 & 64 shares at 01/04/16)		0.21	0.21	0.01
A.V. Thomas & Company Limited - 100 shares (100 shares at 31/03/17 & Nil shares at 01/04/16)		4.66	4.66	---
The Nelliampathy Tea & Produce Company Limited - 515 shares (155 shares at 31/03/17 & Nil shares at 01/04/16)		2.06	0.62	---
The Midland Rubber & Produce Company Limited - 157 shares (157 shares at 31/03/17 & Nil shares at 01/04/16)		6.21	6.21	---
Verna Global Holding Limited - 8543 shares (Face Value - GBP 0.01 per share) (8543 shares at 31/03/17 & Nil shares at 01/04/16)		124.68	189.75	---
Investment in Preference Shares (Unquoted)				
Vogo Automotive Services Private Limited - 5559 shares (Face Value-1000 per share) (5559 shares at 31/03/17 & Nil shares at 01/04/16)		133.33	100.01	---
Sub Total		**271.15**	**301.46**	**0.01**
Grand Total Investments		**11,026.48**	**10,276.85**	**8,959.48**
Aggregate book value of quoted investments		**8,877.41**	**8,309.87**	**7,537.46**
Aggregate market value of quoted investments		**21,928.90**	**23,969.50**	**17,055.80**
Aggregate value of unquoted investments		**2,149.07**	**1,966.98**	**1,422.02**
Aggregate amount of impairment in the value of investments		---	---	---

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 7			
LOANS			
Loans			
(Unsecured, considered good)			
Non Current at amortized cost			
Loans to employees	4.96	3.81	4.34
Total	**4.96**	**3.81**	**4.34**
Current at amortized cost			
Loans to employees	1.28	1.00	4.40
Total	**1.28**	**1.00**	**4.40**
NOTE NO. 8			
OTHER FINANCIAL ASSETS			
(Unsecured, considered good unless stated otherwise)			
A) Non Current			
Deposits with Public Bodies	15.32	18.52	14.38
Deposits with Others	18.37	18.36	31.24
Term deposit with bank maturing after 12 months from the Balance Sheet date	0.86	-	-
Total	**34.55**	**36.88**	**45.62**
NOTE NO. 9			
DEFERRED TAX LIABILITY / ASSETS (NET)			
Components of Deferred tax			
Deferred Tax Asset / (Liability)			
On account of deprecaition	27.76	19.72	14.96
On account of Fair valuation of current investments	(128.17)	(113.69)	(92.22)
On acocunt of Fair valuation of non current investments	5.49	(1.10)	-
On others - -	-		
Sub Total	**(94.92)**	**(95.07)**	**(77.26)**
MAT Credit Entitlement			
Opening balance	103.72	110.00	110.00
Less: Utilization during the year	30.41	6.28	-
Net MAT Credit Entitlement	73.31	103.72	110.00
Net deferred tax assets/(liabilities)	**(21.61)**	**8.65**	**32.74**

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016

NOTE NO. 10
OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	31st March 2018	31st March 2017	01st April 2016
A) Non Current			
Capital Advance	7.60	2.00	1.20
Export incentive & Government Subsidy receivable	86.21	28.24	23.22
	93.81	**30.24**	**24.42**
B) Current			
Advance to suppliers	30.88	43.55	20.92
GST Input Receivable	14.25	-	-
Total	**45.13**	**43.55**	**20.92**

NOTE NO. 11
INVENTORIES

	31st March 2018	31st March 2017	01st April 2016
Raw materials	2.30	3.28	2.10
Finished goods	371.82	222.62	247.25
Stores, Spares and Packing Materials	43.85	57.95	52.46
Less: Provision for Slow Moving/Non Moving Inventories	1.28	1.79	1.56
Total inventories at the lower of cost or net realisable value	**416.69**	**282.06**	**300.25**
i) Provision for Slow Moving/Non Moving Inventories			
Opening Balance	1.79	1.56	1.40
Add: Provision during the year	-	0.23	0.16
Less: Reversal of provision no longer required	0.51	-	-
Closing Balance	1.28	1.79	1.56

NOTE NO. 12
BIOLOGICAL ASSETS

	Tea Leaves
Balance as at 1st April 2016	11.65
Change in fair value due to biological transformation	16.39
Balance as at 31st March 2017	**28.04**
Change in fair value due to biological transformation	(7.88)
Balance as at 31st March 2018	20.16

NOTE : 13

INVESTMENTS

	No. of scrips / Units held			(All amounts are in INR Lakhs unless otherwise stated)		
	31st March 2018	31st March 2017	01st April 2016	**31st March 2018**	31st March 2017	01st April 2016
Current Investments						
Investments at fair value through Profit & Loss						
Quoted Equity Shares (Valued at market rate per share)						
Tata Consultancy Services Limited	2,432	2,432	2,432	69.29	59.12	59.72
Great Eastern Shipping Company Limited	---	---	1,800	---	---	6.03
IL & FS Investment Managers Limited (formerly IL&FS Venture Corporation Limited)	---	---	24,150	---	---	3.86
IL & FS Transportation Networks Limited	1,000	1,000	1,000	0.60	1.09	0.73
MOIL Limited	---	1,840	1,840	---	5.78	4.01
Piramal Enterprises Ltd (formerly Piramal Healthcare Limited)	---	-	1,720	---	---	17.99
E.I.D Parry (India) Limited	---	1,080	1,080	---	3.06	2.37
Gateway Distriparks Limited	---	---	335	---	---	0.93
Engineers India Limited	1,360	1,360	680	2.15	1.96	1.16
Nesco Limited	550	110	110	3.03	2.59	1.69
Infosys Limited	230	120	120	2.60	1.22	1.45
NMDC Limited	570	570	570	0.68	0.76	0.56
Bajaj Fin Services Limited	---	---	50	---	---	0.87
BSE Limited	7,442	9,222	18,445	56.28	90.16	92.23
Control Print Limited	---	---	855	---	---	2.53
Tata Sponge Iron Limited	75	75	75	0.69	0.52	0.35
Lakshmi Machines Works Limited	26	26	26	1.80	1.10	0.88
Phoenix Lamps Limited	---	1,555	1,555	-	2.72	1.54
Ambika Cotton Mills Limited	130	130	130	1.68	1.71	1.06
Hero Motocorp Limited	38	38	38	1.35	1.23	1.12
IDFC Limited	17,840	600	600	8.70	0.33	0.24
IDFC Bank Limited	8,120	600	600	3.84	0.36	-
Sriram Transport Finance Limited	670	380	380	9.65	4.10	3.52
Tata Motors Limited	300	300	300	0.98	1.40	1.14
TVS Srichakra Limited	17	17	17	0.55	0.59	0.39
Sriram City Union Finance Limited	83	83	83	1.77	1.91	1.25
Gulf Oil Lubricants India Limited	185	185	---	1.69	1.30	---
ICICI Lombard General Insurance Company Limited	2,000	2,000	---	15.88	7.65	---

NOTE : 13

INVESTMENTS *(Contd...)*

	No. of scrips / Units held			(All amounts are in INR Lakhs unless otherwise stated)		
	31st March 2018	31st March 2017	01st April 2016	**31st March 2018**	31st March 2017	01st April 2016
UnQuoted Equity Shares*						
Catholic Syrian Bank Limited	8,065	8,065	8,065	14.11	12.50	12.50
Tamilnad Mercantile Bank Limited	8,000	8,000	-	34.00	20.40	-
Mutual Funds (Valued at NAV)						
BSL MNC-D	-	-	18,755	-	-	26.26
ICICI Prudential Recovery - D	-	-	79,711	-	-	22.57
ICICI Prudential top 100-D	-	-	1,22,699	-	-	19.96
IDFC Sterling Equity Fund	-	-	1,27,697	-	-	18.42
Reliance Equity Opportunities	-	-	67,501	-	-	18.25
ICICI Prudential Short Term Growth	20,90,633	20,90,633	20,90,633	756.70	713.38	647.13
ICICI Prudential Equity Arbitrage Fund	1,63,197	1,53,174	5,84,536	22.26	21.16	80.37
IDFC Arbitrage Fund	14,23,925	13,47,114	12,72,456	180.25	170.42	160.41
Kotak Equity Arbitrage Fund	8,49,151	7,95,888	7,48,503	90.79	85.53	80.46
ICICI Prudential Flexible Income Regular Plan - Growth	35,653	1,35,809	57,273	118.77	422.83	163.93
IDFC Ultra Short Term Fund- Growth	6,81,144	11,14,387	20,30,101	167.64	256.63	431.10
Goldman Sachs Liquid Exchange Traded Scheme	3,511	3,670	1,760	35.11	36.78	17.60
Total				**1,602.84**	**1,930.29**	**1,906.58**
Aggregate book value of quoted investments				1,554.73	1,897.39	1,894.08
Aggregate market value of quoted investments				1,554.73	1,897.39	1,894.08
Aggregate value of unquoted investments				48.11	32.90	12.50

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

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 14			
TRADE RECEIVABLES			
Current			
(Unsecured)			
Considered good*	269.47	122.44	333.12
Considered doubtful	-	-	-
	269.47	**122.44**	**333.12**
Less : Provision for Debts doubtful of recovery	-	-	-
Total trade receivables	**269.47**	**122.44**	**333.12**
***For related party balances refer Note 36**			
NOTE NO. 15			
CASH AND CASH EQUIVALENTS			
Cash on hand	0.21	0.85	0.73
Balances with bank in current account	164.44	26.32	55.57
Cash and cash equivalents as per balance sheet	**164.65**	**27.17**	**56.30**
Bank balances other than cash and cash equivalents:			
Balances with banks:			
In deposit accounts as margin money for Bank Guarantees*	86.35	81.25	-
In deposit account with original maturity more than three months	0.86	6.87	-
Earmarked Balances (unclaimed/unpaid dividend deposit accounts)	150.25	150.29	173.98
Bank balance	**237.46**	**238.41**	**173.98**
Less : Term deposit with bank maturing after 12 months from the Balance Sheet date and other earmarked / margin money / pledged deposits classfied as non-current	0.86	-	-
Net Bank balances other than cash and cash equivalents	**236.60**	**238.41**	**173.98**

* represents FDR under lien for the issuance of the Bank guarantees.

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016

NOTE NO. 16
SHARE CAPITAL

A. Authorised Share Capital

	31st March 2018	31st March 2017	01st April 2016
Number of Ordinary (Equity) Shares	9,00,000	9,00,000	9,00,000
Face Value per Ordinary (Equity) share	10.00	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	**90.00**	**90.00**	**90.00**
Number of 5% Preference Shares	3,50,000	3,50,000	3,50,000
Face Value per 5% Preference share	10.00	10.00	10.00
5% Preference Share Capital in INR lakhs	**35.00**	**35.00**	**35.00**

B. Issued, Subscribed & Paid Up Share Capital

	31st March 2018	31st March 2017	01st April 2016
Number of Ordinary (Equity) Shares	6,27,350	6,27,350	6,27,350
Face Value per Ordinary (Equity) share	10.00	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	**62.74**	**62.74**	**62.74**

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

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

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

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity shares with voting rights			
Year ended 31-03-2018			
- Number of shares	6,27,350	-	6,27,350
- Amount (Rupees)	62.74	-	62.74
Year ended 31-03-2017			
- Number of shares	6,27,350	-	6,27,350
- Amount (Rupees)	62.74	-	62.74

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

Name of the Share holder	As at		As at	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Mr. Ajit Thomas	4,14,338	66.05%	4,13,103	65.85%

F. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL (PY NIL).

NOTE NO. 17
OTHER EQUITY

All amounts are in INR Lakhs unless otherwise stated

Name of the Reserve	Reserves & Surplus				Other items of Other Comprehensive Income			Total
	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	FVOCI - equity investments	Cash flow Hedging Reserve	Foreign Currency Translation Reserve	
At 1 April 2016	27.27	0.14	8,625.24	3,594.76	-	-	-	**12,247.41**
Profit for the year	-	-	-	(18.62)	-	-	-	(18.62)
Share of net profit of associates and joint venturers accounted for using equity method	-	-	-	1,182.92	-	-	-	1,182.92
Other Comprehensive income for the year, net of Income tax	-	-	-	(19.90)	4.25	-	-	(15.65)
Share of other comprehensive income of associates and joint venturers net of tax	-	-	-	(20.98)	-	90.42	54.47	123.91
At 31 March 2017	**27.27**	**0.14**	**8,625.24**	**4,718.18**	**4.25**	**90.42**	**54.47**	**13,519.97**
Profit for the year	-	-	-	(26.97)	-	-	-	(26.97)
Share of net profit of associates and joint venturers accounted for using equity method	-	-	-	1,232.56	-	-	-	1,232.56
Other Comprehensive income for the year, net of Income tax	-	-	-	(115.85)	(26.26)	-	-	(142.11)
Share of other comprehensive income of associates and joint venturers net of tax	-	-	-	0.71	-	(97.94)	(48.74)	(145.97)
Appropriations:								
Transfer to General Reserve	-	-	-	-	-	-	-	-
Dividend & Tax Paid on Dividend	-	-	-	**151.01**	-	-	-	151.01
At 31 March 2018	27.27	**0.14**	8,625.24	**5,657.62**	(22.01)	(7.52)	**5.73**	**14,286.47**

All amounts are in INR Lakhs unless otherwise stated

	31st March 2018	31st March 2017	01st April 2016
NOTE NO. 18			
PROVISIONS			
Non Current			
Provision for Compensated absences*	0.49	0.40	0.16
Total	**0.49**	**0.40**	**0.16**
Current			
Provision for Gratuity	180.28	60.65	15.56
Provision for Compensated absences	4.68	8.25	5.85
Total	**184.96**	**68.90**	**21.41**

*Refer Note 35 for details

NOTE NO. 19
TRADE PAYABLES

Due to Micro and Small Enterprises *	9.61	0.48	1.73
Due to other than Micro and Small Enterprises	141.45	172.91	144.02
Accrued expenses and others	8.36	7.55	24.10
Total trade payables	**159.42**	**180.94**	**169.85**

Footnotes:

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE NO. 20
OTHER FINANCIAL LIABILITIES

Other financial liabilities			
Unclaimed dividend	148.00	148.05	171.74
Unpaid Preference Share Capital	2.24	2.24	2.24
Forward Cover Contracts	4.94	-	-
Employee related liabilities	56.37	59.11	115.41
Total	**211.55**	**209.40**	**289.39**

NOTE NO. 21
OTHER LIABILITIES

Current			
Statutory remittances	22.53	7.07	13.04
Total	**22.53**	**7.07**	**13.04**

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 22		
REVENUE FROM OPERATION		
Sale of products		
Tea	2,764.26	2,666.58
Tea Waste	102.42	111.89
Total Sale of Products (A)	**2,866.68**	**2,778.47**
Other Operating Revenue		
Tea Subsidy	30.97	55.72
Export Subsidies & Other Incentives	61.13	55.74
Duty Drawback	12.02	22.05
Total Other Operating Revenue (B)	**104.12**	**133.51**
Total revenue from operations	**2,970.80**	**2,911.98**
NOTE NO. 23		
OTHER INCOME		
Income from Investments (Dividend)		
Non Current	0.16	0.03
Current	21.45	77.81
Interest	6.69	3.96
Exchange Fluctuations	0.00	6.14
Gain on Fair Value of Investments	77.57	109.21
Profit on sale of investments	6.29	-
Profit on Sale of Property, Plant and Equipment	3.12	0.06
Miscellaneous	0.38	1.49
Total	**115.66**	**198.70**
NOTE NO. 24		
COST OF MATERIAL CONSUMED		
Raw material and components consumed	818.13	937.86
Total	**818.13**	**937.86**
NOTE NO. 25		
PURCHASE OF STOCK - IN - TRADE		
Inventory at the beginning of the year	-	-
Add: Purchases	1.15	0.87
Less: inventory at the end of the year	-	-
Total	**1.15**	**0.87**

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 26		
CHANGES IN INVENTORIES		
Inventory at the beginning of the year	222.62	247.25
Less: inventory at the end of the year	371.82	222.62
Net (Increase)/Decrease	**(149.20)**	**24.63**
NOTE NO. 27		
EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	1,151.05	1,003.99
Contribution to provident and other funds	151.19	142.37
Staff welfare expenses	47.48	53.78
Total	**1,349.72**	**1,200.14**
Refer to Note 35 for details on employee benefit		
The above includes		
- Net incremental gratuity provision of	119.63	45.09
- Net incremental leave salary provision of	(3.48)	2.64
NOTE NO. 28		
FINANCE COSTS		
Interest on debts and borrowings at effective interest rate on borrowings	3.57	2.51
Total	**3.57**	**2.51**
NOTE NO. 29		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation of tangible assets	106.65	95.51
Total	**106.65**	**95.51**

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 30		
OTHER EXPENSES		
Other Manufacturing Expenses		
Consumption of Stores and Spares	162.31	149.29
Power and Fuel	221.26	185.60
Repairs and Maintenance	20.78	17.00
Rent and Amenities	21.60	21.46
Repairs and Maintenance		
Roads and Buildings	40.92	52.00
Vehicles	54.97	51.05
Others	12.64	2.44
Insurance	11.43	9.17
Rates and Taxes	4.23	13.17
Payment to Statutory Auditors (Refer Not 31)	7.00	15.66
Transport and Warehousing	130.99	104.90
Brokerage and Commission	74.11	81.69
Travelling Expenses	52.40	60.39
Legal and Professional Expenses	30.87	32.41
Postage and Telephones	7.97	9.45
Printing and Stationery	8.14	8.07
Bank Charges	3.50	2.45
Directors' Sitting fees	2.34	2.74
Advertisement and Sales Promotion	1.31	0.94
Exchange fluctuation loss	1.18	-
Loss on Sale of Current Investments	-	13.04
Loss on fair valaution of forward contracts	4.94	-
Miscellaneous Expenses	20.25	21.77
Total	**895.14**	**854.68**

NOTE NO. 31		
PAYMENT TO STATUTORY AUDITORS		
For Audit	7.00	7.00
For Certification / Tax Audit	-	1.73
For Tax Representation	-	2.00
For Travelling and other Expenses	-	1.20
For Other Service	-	1.66
For Service Tax	-	2.07
	7.00	**15.66**

Foot Notes:

Amount capitalized during the current year:

Salaries, wages and bonus	35.29	26.07
Raw material and components consumed	18.88	12.34

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 32		
INCOME TAX		
The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:		
Statement of profit and loss:		
Income Tax		
In respect of the current year	73.96	12.77
	73.96	12.77
Deferred Tax		
In respect of the current year	6.43	16.72
Other items includes the impact on account of change in tax rates	6.43	16.72
Income tax expense reported in the statement of profit or loss	**80.39**	**29.49**
Other Comprehensive Income		
Deferred tax related to items recognised in OCI during		
Net (gain)/loss on revaluation of non-current investments	(6.60)	1.10
Net loss/(gain) on remeasurements of defined benefit plans	(29.24)	(2.20)
Income tax charged to OCI	**(35.84)**	**1.10**
Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2018 and 31 March 2017:		
Accounting profit before tax (a)	1,285.98	1,193.79
Income Tax Rate (b)	26.00%	26.00%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	334.35	310.39
Adjustments		
On account of dividend income	(5.62)	(0.80)
On account of non-taxable agricultural operations	36.82	45.96
On account of share of profit accounted under equity method	(320.47)	(307.56)
On account of other items	35.31	(18.49)
Income tax expense reported in the statement of profit and loss	**80.39**	**29.49**

NOTE NO. 33
EARNINGS PER SHARE

Profit after Taxation in INR lakhs	1,205.59	1,164.30
Weighted average number of Equity Shares outstanding at the end of the year	6,27,350	6,27,350
Earnings per share (Basic and Diluted) in INR	192.17	185.59

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 34		
SEGMENT REPORTING		
The Company operates only in one Business segment namely Cultivations, Manufacturing and Marketing of Tea Accordingly this is the only business segment to be reported.		
Additional Infromation		
Segment Revenue		
Revenue by Geographical Segment		
India	1,028.08	642.25
Rest of the World	1,736.18	2,024.33
Total Revenue from Sale of Products	**2,764.26**	**2,666.58**
Trade Receivables		
India	56.03	14.23
Rest of the World	213.44	108.21
Total Revenue from Sale of Products	**269.47**	**122.44**

Note:

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

NOTE NO. 35
EMPLOYEES BENEFIT

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

	31 March 2018	31 March 2017
Provident and Other Funds	117.12	101.17

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

Gratuity Scheme :

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

Defined Benefit Plans (Gratuity)– As per Actuarial Valuation on March 31, 2018:-

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

	31 March 2018	31 March 2017
Present Value of Funded Obligations	653.39	462.83
Fair Value of Plan Assets	473.11	402.17
Net (asset) / Liability - Current	180.28	60.65

All amounts are in INR Lakhs unless otherwise stated

		31 March 2018	31 March 2017
NOTE NO. 35			
EMPLOYEES BENEFIT (*contd.*)			
(ii)	**Expenses recognized in the Statement of Profit & Loss**		
	Current Service Cost	41.56	38.05
	Interest on Net Defined Benefit Liability	1.76	0.62
	Past Service Cost	-	-
	Total	**43.32**	**38.67**
(iii)	**Amount recorded in Other Comprehensive Income**		
	Actuarial (gain)/loss on Plan Obligations	149.48	22.27
	Difference between Actual Return and Interest Income on ' Plan Assets- (gain)/loss	(3.27)	(0.19)
	Total	**146.21**	**22.08**
(iv)	**Reconciliation of Net Liability/ Asset**		
	Opening Net Benefit Liability	60.65	15.56
	Expense charged to profit and loss	43.32	38.67
	Amount recognized outside profit and loss (in OCI)	146.21	22.09
	Employer Contribution	(69.90)	(15.66)
	Closing Net Defined Benefit Liability/ (Asset) - Current	**180.28**	**60.65**
(v)	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	462.83	410.56
	Interest Cost	30.59	31.27
	Current Service Cost	41.56	38.05
	Past Service Cost	-	-
	Interest on defined benefit obligation	-	-
	Benefits paid	(31.07)	(39.32)
	Actuarial Losses / (Gain) on obligation	149.48	22.27
	Closing Defined Benefit Obligation	**653.39**	**462.83**
(vi)	**Reconciliation of Fair Value of Plan Assets**		
	Opening Fair Value of Plan Assets	402.17	395.00
	Actuarial Losses / (Gain) on Plan Assets	3.27	0.19
	Contributions made	69.90	15.66
	Benefits Paid	(31.07)	(39.32)
	Interest Income	28.84	30.65
	Closing Fair Value of Plan Assets	**473.11**	**402.17**

* on account of business combination or inter group transfer

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017

NOTE NO. 35
EMPLOYEES BENEFIT (*contd.*)

(vii) Description of Plan Assets

Government of India Securities	0%	0%
Corporate Bonds	0%	0%
Special Deposit Scheme	0%	0%
Equity	0%	0%
Funds managed by Insurer	100%	100%
Others	0%	0%
Grand Total	**100%**	**100%**

(viii) Actuarial Assumptions

Discount rate (p.a.)	7.30%	6.84%
Salary Escalation Rate (p.a.)	2.80%	2.80%
Attrition Rate (p.a)	5.00%	1.00%

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

Further, Mortality has been assumed as per the published notes under the Indian Assured Lives Mortality (2006-08) Ult table Change in Benefit Obligation.

(ix) Expected Benefit Payments in Following Years

	(mid - year cash flows) 31-Mar-18
Year 1	89.99
Year 2	114.50
Year 3	129.87
Year 4	145.62
Year 5	172.91
Next 5 Years	470.28
Average Duration of Defined Benefit Obligations	15.27 Years

The Next year estimated liability is INR 89.99 lakhs

(x) Effect of Change in Key Assumptions
Year Ended 31st March 2018

Particulars	At Discount Rate	At Salary Escalation Rate
Impact of increase in 100 bps on DBO	625.94	684.12
Impact of decrease in 100 bps on DBO	684.16	625.58

All amounts are in INR Lakhs unless otherwise stated

NOTE NO. 35
EMPLOYEES BENEFIT (*contd.*)

c) Other Long Term Employees Benefit

(i) **Leave Encashment :**

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

Other Long Term Employee Benefits (Leave encashment)– As per Actuarial Valuation on March 31, 2018:-

	31 March 2018	31 March 2017
(i) Amount to be recognized in Balance Sheet and movement in net liability		
Present Value of Funded Obligations	5.16	8.65
Fair Value of Plan Assets	-	-
Net (asset) / Liability - Current	5.16	8.65
(ii) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	2.35	2.20
Interest on Net Defined Benefit Liability	0.59	0.39
Past Service Cost	-	-
Actuarial gain/Loss recognised for the period	(6.42)	2.19
Total	**(3.48)**	**4.78**
(iii) Actuarial Assumptions		
Discount rate (p.a.)	7.30%	6.84%
Salary Escalation Rate (p.a.)	2.80%	2.80%
Attrition Rate (p.a)	1.00%	1.00%

(iv) **Effect of Change in Key Assumptions**
Year Ended 31st March 2018

Particulars	Discount Rate	Salary Escalation Rate
Impact of increase in 100 bps on DBO	5.12	5.22
Impact of decrease in 100 bps on DBO	5.22	5.11

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Exposure to Risks:

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

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

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

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

NOTE NO. 36
RELATED PARTY TRANSACTIONS

A Details of related parties:

Directors who held the office during the year:

Mr. Ajit Thomas , Chairman
Mrs. Shanthi Thomas , Executive Director
Mr. A. D. Bopana
Mr. F. S. Mohan Eddy
Mr. Raghu Bhale Rao*
Mr. W. D. Nelson*

*For Part of the Year

Key Management Personnel (KMP)

Mr. T M Hari Kumar, Company Secretary & CFO

Associates & Joint Venture of the company :

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

Entities in which Directors are interested with whom transactions were carried out during the year:

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

B. Details of related party transactions during the year ended 31 March, 2018 and balances outstanding as at 31 March, 2018:

All amounts are in INR Lakhs unless otherwise stated

Sl. No.	Particulars	Directors		Key Management Personnel (KMP)		Associate & Joint Venture of the Company		Entities in which Director are Interested /Relatives of Director	
		31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	Transactions during the year:								
1	Sitting Fees to Chairman	0 .40	0.40	---	---	---	---	---	---
2	Sitting Fees to Other Directors	1 .94	2.34	---	---	---	---	---	---
3	Dividend Received	---	---	---	---	184.83	290.90	0.17	0.04
4	Sale of Goods / Consumables and Ingredients	---	---	---	---	97.49	20.13	76.05	2.22
5	Sale of Fixed Assets	---	---	---	---	---	---	15.91	---
6	Warehousing Charges	---	---	---	---	---	---	3.59	2.50
7	Purchases	---	---	---	---	---	---	---	1.16
8	Investment	---	---	---	---	---	---	---	6.34
9	Professional Charge	---	---	---	---	3.45	5.75	---	---
10	Dividend Paid	82.62	---	---	---	---	---	---	---
11	Remuneration to Executive Director - Short term benefit *	28.17	28.17	---	---	---	---	---	---
12	Remuneration to Key Managerial Personnel - Short term benefits *	---	---	26.37	24.46	---	---	---	---
	* Long term benefits have not been disclosed since the liability for such benefit have been derived by the actuary for entity as whole.								
	Outstanding Balance at the year ended								
1	Receivable on Account of sales	---	---	---	---	7.60	---	1.21	0.96

All amounts are in INR Lakhs unless otherwise stated

	31 March 2018	31 March 2017
NOTE NO. 37 (a)		
COMMITMENTS AND CONTINGENCIES		
1) On account of Income Tax matters in dispute	4.43	---
2) The retrospective effect from 01-04-14 of the operations and implimentations of the Payment of Bonus (Amendment) Act, 2015 has been stayed by Hon. High court of Madras. Considering the same, the company has not provided for the additional liability.		
3) **Commitments and Contingencies in respect of associates and joint ventures**		
Share of Contingent liabilities of the associate	419.44	654.96
Share of Contingent liabilities of the JV	4.09	4.65

4) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is INR 3.61 Lakhs (Previous year – INR 1.32 Lakhs).

NOTE NO. 37 (b)
GUARANTEE GIVEN BY THE COMPANY

Bank Guarantee of INR 809.58 lakhs (PY - INR 809.58 lakhs) have been given by the company to various authorities & other partie. These guarantee were issued against the margin money kept with bank of INR 86.35 lakhs (PY - INR 81.25 lakhs)

NOTE NO. 37 (c)
DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

	Particulars	31 March 2018	31 March 2017
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	9.61	0.48
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	---	---
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	---	---
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year	---	---
(v)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	---	---

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE : 38

FIRST TIME ADOPTION OF IND AS RECONCILIATION

38.1 Effect of Ind AS adoption on the balance sheet as at 31st Mar 2017 and 1st April 2016

All amounts are in INR Lakhs unless otherwise stated

	Notes	As at 31st March 2017			As at 1st April 2016		
		End of last period presented under previous GAAP			Date of transition		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non Current Assets							
Property, plant and equipment		698.76		698.76	654.27		654.27
Capital work in progress		39.93		39.93	-		-
Investment Property		269.82		269.82	269.82		269.82
Investments accounted for using the equity method	i	8,507.92	1,467.46	9,975.39	7,863.75	1,095.72	8,959.47
Financial assets							
Investments	d	296.11	5.35	301.46	0.01		0.01
Loans		3.81		3.81	4.34		4.34
Other financial assets		36.88		36.88	45.62		45.62
Current Tax Assets (Net)		11.52		11.52	6.11		6.11
Deferred tax asset (Net)	c	103.73	(95.08)	8.65	110.00	(77.26)	32.74
Other non current assets		30.24		30.24	24.42		24.42
Total non-current asset		**9,998.72**	**1,377.74**	**11,376.46**	**8,978.34**	**1,018.46**	**9,996.80**
Current Assets							
Inventories		282.06		282.06	300.25		300.25
Biological assets other than bearer plants	e	0.00	28.04	28.04	(0.00)	11.65	11.65
Financial assets							
Investments	f	1,565.89	364.40	1,930.29	1,610.99	2 95.59	1,906.58
Trade receivables		122.44		122.44	333.12		333.12
Cash and cash equivalents		27.17		27.17	56.30		56.30
Bank balances other than cash and cash equivalents		238.41		238.41	173.98		173.98
Loans		1.00		1.00	4.40		4.40
Other current assets		43.55		43.55	20.92		20.92
Total current asset		**2,280.52**	**3 92.44**	**2,672.96**	**2,499.96**	**307.24**	**2,807.20**
Total asset		**12,279.24**	**1,770.18**	**14,049.42**	**11,478.30**	**1,325.70**	**12,804.00**

NOTE : 38

FIRST TIME ADOPTION OF IND AS RECONCILIATION

38.1 Effect of Ind AS adoption on the balance sheet as at 31st Mar 2017 and 1st April 2016 (*contd.*)

All amounts are in INR Lakhs unless otherwise stated

	Notes	As at 31st March 2017			As at 1st April 2016		
		End of last period presented under previous GAAP			Date of transition		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Equity							
Equity share capital		62.74		62.74	62.74		62.74
Other equity	a,b&c	11,749.79	1,770.18	13,519.97	10,921.71	1,325.70	12,247.41
Total equity (shareholders' funds under previous GAAP)		**11,812.53**	**1,770.18**	**13,582.71**	**10,984.45**	**1,325.70**	**12,310.15**
Liabilities							
Non current liabilities							
Provisions		0.40		0.40	0.16		0.16
Total non current liabilities		**0.40**	-	**0.40**	**0.16**	-	**0.16**
Current liabilities							
Financial Liabilities							
Trade payables		180.94		180.94	1 69.85		1 69.85
Other financial liabilities		209.40		209.40	289.39		289.39
Provisions		68.90		68.90	21.41		21.41
Other current liabilities		7.07		7.07	13.04		13.04
Total current liabilities		**466.31**	-	**466.31**	**493.69**	-	**4 93.69**
Total equity and liabilities		**12,279.24**	**1,770.18**	**14,049.42**	**11,478.30**	**1,325.70**	**12,804.00**

Transition to Ind AS

In preparing its opening Ind AS balance sheet, the Company has adjusted, regrouped and reclassified the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). The exemptions and exceptions applied by the Company in accordance with Ind AS 101 'First-time Adoption of Indian Accounting Standards' along with the reconciliations of equity, total comprehensive income, balance sheet and cash flows in accordance with Previous GAAP to Ind AS are explained below.

Exemptions from retrospective application:

NOTE : 38 *(Contd..)*

The Company has applied the following exemptions :

a. Property, plant and equipment – Deemed Cost

Ind AS 101 permits a first time adoption to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for investment property covered by Ind AS 40 'Investment Properties'. Accordingly, the Company has elected to measure all of its property, plant and equipment and investment property at the carrying value, based on Indian GAAP.

b. Measurement of financial assets and financial liabilities at fair value: Under Previous GAAP, all assets and liabilities that are now classified under the head financial assets and financial liabilities were carried at cost. Under Ind AS, however, certain financial assets and financial liabilities are subsequently measured at Fair Value which involves use of Fair Value Measurement hierarchy at the date of transition to Ind AS.

c. Fair valuation of Investments through profit and loss account: Under the Previous GAAP, short term investments in shares & mutual funds were measured at cost less diminution in value. Under the Ind AS, current investments are measured at fair value as at the transition date, the Company has made irrevocable choice to account for these investments at fair value through Profit & Loss (FVTPL).

d. Fair value changes with respect to investments in equity instruments designated at FVOCI (grouped under non-current investments) have been recognised in the other comprehensive income for the year ended 31st March 2017.

e. Under the previous GAAP, there were no specific guidelines for accounting of standing crop. Under Ind AS 41, standing crop is required to be valued at fair value. The standing crop of tea as on a date is calculated based on the estimated yield applying a crop index. The crop index is based on the plucking interval recommended and the estimated number of days since the previous round of harvesting. Based on the above method quantity of standing crop is arrived. The derived quantity is multiplied by the fair value as per Ind AS 113.

f. Deferred Tax: Under Ind AS, Deferred tax has been recalculated in respect of above changes and the deferred tax impact as at the transition date has been recognised in opening reserves and for the year ended March 31, 2017.

g. Actuarial gain/ loss on defined benefit plans: Under Ind AS, re-measurements i.e. actuarial gain and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liabilities are recognised in the other comprehensive income instead of Profit & Loss under previous GAAP all these re-measurements were forming part of the profit & loss for the year. There is no impact on the total equity. The current tax effect has been given adjustment to that extent.

h. Figures under previous GAAP have been regrouped/reclassified where ever required.

i. On transition to Ind AS, investments in AVT Mccormick Ingredients Private Limited has been determined as a Joint venture, and accordingly, the share of net worth as on the date of transition has been given effect to in the opening reserves. Also, for the year 2016-17, the share from the incremental net profits / other comprehensive income arising under Ind-AS in respect of the individual investee companies (both associates / joint venture), has also been adjusted to the statement of profit & loss of 2016-17.

38.2 Reconciliation of total equity as at 31st March 2017 and 1st April 2016

	Note	Year ended 31 March 2017	Year ended 1 April 2016
Total equity (shareholder's fund) under previous GAAP		**11,812.54**	**10,984.40**
Effect of adjustments:			
Adjustment in opening investment value of JV		1,095.71	1,095.71
Impact of fair valuation of current investments	c	364.40	295.59
Impact of fair valuation of equity through OCI	d	5.35	-
Impact of biological assets accounted	e	28.04	11.65
Less: Tax effect	f	(95.08)	(77.26)
Share of profits of associate / JV as per Ind-AS during the year		371.75	-
Total adjustment to equity		**13,582.71**	**12,310.15**

38.3 Effect of Ind AS adoption on statement of profit and loss for the year ended 31st March 2017

All amounts are in INR Lakhs unless otherwise stated

Particulars	Notes	Year ended 31st March 2017		
		End of last period presented under previous GAAP		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance Sheet
Revenue from operations	b	2,918.12	(6.14)	2,911.98
Other income	b, c & i	208.48	(9.78)	198.70
Total income		**3,126.60**	**(15.92)**	**3,110.68**
Expenses				
Cost of materials consumed	f	939.04	(1.18)	937.86
Purchased of stock in trade		0.87	-	0.87
Changes in inventories of finished goods and stock in trade	f	18.10	6.53	24.63
(Gain) / loss on transformation of biological asset	g	0.00	(16.39)	(16.39)
Other Manufacturing Expenses	f	357.23	(357.23)	-
Employee benefit expense	a	1,222.23	(22.09)	1,200.14
Finance cost		2.51	-	2.51
Depreciation and amortization expense		95.51	-	95.51
Other expenses		540.29	314.39	854.68
Total expense		**3,175.78**	**(75.97)**	**3099.81**
Share of net profits of associates and joint ventures accounted for using equity method		887.82	295.10	1,182.92
Profit before tax		838.64	60.05	1,193.79
Tax expense				
Current tax	e	10.56	2.21	12.77
Deferred tax	e	-	16.72	16.72
Profit for the period		**828.08**	**41.12**	**1,164.30**
Other comprehensive income				
(i) Items that will not be classified to statement of profit and loss				
Changes in fair value of FVOCI investments	d		5.35	5.35
Remeasurement of the defined benefit plan	a	-	(22.09)	(22.09)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax	i	-	(20.98)	(20.98)
Deferred Tax on above	e	-	1.10	1.10
(i) Items that will not be classified to statement of profit and loss				
Share of other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax	i	-	144.88	144.88
Total other comprehensive income		-	108.26	108.26
Total comprehensive income for the period		**828.08**	**67.14**	**1,272.56**

a. Actuarial gain/ loss on defined benefit plans: Under Ind AS, re-measurements i.e. actuarial gain and losses and the return on plan assets, excluding amounts included in the net interest expenses on the net defined benefit liabilities are recognised in the other comprehensive income instead of Profit & Loss under previous GAAP, all these re-measurements were forming part of the profit & loss for the year. There is no impact on the total equity.

b. Under Ind AS, forex gains have been regrouped under Other Income from Revenue from Operations.

c. Current investments in the nature of shares and mutual funds have been fair valued and the gains have been considered in the profit & loss account under Other Income.

d. Fair value changes in equity instuments designated as FVTOCI have been recognised through the Other Comprehensive Income.

e. The tax effect on a, c and d have been adjusted against profit & loss / OCI as the case may be.

f. The company uses the tea leaves plucked from its estates for its captive use in the manufacture of tea. Under the previous GAAP, the cost of cultivation of tea leaves were taken as the cost of green leaf in the valuation of black tea. As per Ind AS 41, agricultural produce harvested from an entity's biological asset is required to be measured at fair value less cost to sell at the point of harvest and such measurement is the cost when applying Ind AS 2 Inventories.

g. Under the previous GAAP, there were no specific guidelines for accounting of standing crop. Under Ind AS 41, standing crop is required to be valued at fair value. The standing crop of tea as on a date is calculated based on the estimated yield applying a crop index. The crop index is based on the plucking interval recommended and the estimated number of days since the previous round of harvesting. Based on the above method quantity of standing crop is arrived. The derived quantity is multiplied by the fair value as per Ind AS 113.

h. Figures under previous GAAP have been regrouped/reclassified where ever required.

i. Dividend income from AVT Mccormick Ingredients Private Limited which is determined as a Joint Venture under Ind-AS has been eliminated as part of consolidation and accounted for using the Equity Method. For the year 2016-17, the share from the incremental net profits / other comprehensive income arising under Ind-AS in respect of the individual investee companies (both associates / joint venture), has also been adjusted to the statement of profit & loss of 2016-17.

All amounts are in INR Lakhs unless otherwise stated

38.4 Reconciliation of total comprehensive income for the year ended 31st Mar 2017

Particulars	Notes	Year ended 31 March 2017
Profit/(Loss) as per previous GAAP		828.08
Adjustments:		
Adjustments affecting at P&L level	a,b,c, f & g	41.12
Share of net profits of associates and joint ventures accounted for using equity method	i	295.10
Profit or loss for the year as per Ind AS		1,164.30
Other comprehensive income (net of tax)	a, d & e	108.26
Total comprehensive income under Ind AS		**1,272.56**

38.5 Effect of Ind AS adoption on the statement of cash flow for the year ended 31st Mar 2017

Particulars	For the year ended 31st March 2017			
	End of last period presented under previous GAAP			
	Notes	Year ended 31 March 2017	Year ended 31 March 2017	Year ended 31 March 2017
Net cash flow from operating activities	(1)	978.25	(903.48)	74.77
Net cash flow from investing activities	(1)	(923.62)	822.23	(101.39)
Net cash flow from financing activities	(1)	(2.51)	0.00	(2.51)
Total		**52.12**	**(81.25)**	**(29.13)**
Cash and cash equivalent at the beginning of the period	(1)	56.30	0.00	56.30
Cash and cash equivalent at the end of the period	(1)	108.42	(81.25)	27.17

(1) Difference in cash flows between the previous GAAP and Ind AS have arisen mainly on account of reclassification.

38.6 Analysis for cash and cash equivalents as at 31st Mar 2017 and as at 1st Apr 2016 for the purpose of statement of cash flows under Ind AS:

Particulars	As at 31 March 2017	As at 1st April 2016
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	108.43	56.30
Effect of adjustments:		
- Reclassification of margin deposits	(81.25)	0.00
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	27.17	56.30

All amounts are in INR Lakhs unless otherwise stated

NOTE NO. 39
FAIR VALUE MEASUREMENT

Financial Instruments by category

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

Financial assets and liabilities

Particulars	31st March 2018			31st March 2017			1st April 2016		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets:									
Non Current									
Investments	-	271.15	-	-	301.46		-	0.01	-
Loans	-	-	4.96	-	-	3.81	-	-	4.34
Other financial assets			34.55			36.88			45.62
Current									
Investments	1,602.84	-	-	1,930.29	-	-	1,906.58	-	-
Trade Receivables	-	-	269.47	-	-	122.44	-	-	333.12
Cash and Cash Equivalents	-	-	164.65	-	-	27.17	-	-	56.30
Bank Balances other than Cash & Cash Equivalents	-	-	236.60	-	-	238.41	-	-	173.98
Loans	-	-	1.28	-	-	1.00	-	-	4.40
Total	**1,602.84**	**271.15**	**711.51**	**1,930.29**	**301.46**	**429.71**	**1,906.58**	**0.01**	**617.76**
Financial liabilities:									
Current									
Trade Payables	-	-	159.42	-	-	180.94	-	-	169.85
Other financial liabilities - Current	4.94	-	206.61			209.40			289.39
Total	**4.94**	**-**	**366.03**	**-**	**-**	**390.34**	**-**	**-**	**459.24**

* Does not include investments in Associates / Joint venture accounted using equity method

39.1.1 Fair value hierarchy

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

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2018:

	Notes	Level 1	Level 2	Level 3	Total
Financial asset-					
Investment in Shares & Mutual Funds	A.2	1,554.73	48.11	-	1,602.84
Financial liability-					
Forward Cover Contracts - marked to market at the balance sheet date	A.2	4.94	-	-	4.94

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2017:

	Notes	Level 1	Level 2	Level 3	Total
Financial asset-					
Investment in Shares & Mutual Funds	A.2	1,897.39	32.90	-	1,930.29

All amounts are in INR Lakhs unless otherwise stated

39.1.1 Fair value hierarchy

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

Financial assets and liabilities measured at fair value-recurring fair value measurements as at 1st April, 2016

	Notes	Level 1	Level 2	Level 3	Total
Financial asset-					
Investment in Shares & Mutual Funds	A.2	1,894.08	12.50	-	1,906.58

A.2 Valuation inputs and relationship to fair value

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

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

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

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

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

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2018:

	Notes	Level 1	Level 2	Level 3	Total
Non-Current Investments	B.2	-	271.15	-	271.15

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2017:

	Notes	Level 1	Level 2	Level 3	Total
Non-Current Investments	B.2	-	301.46	-	301.46

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2018:

	Notes	Level 1	Level 2	Level 3	Total
Non-Current Investments	B.2	-	0.01	-	0.01

B.2 Valuation inputs and relationship to fair value

The fair value is determined based on valuation reports / recent transactions including potential transactions within a reasonable period to the balance sheet date.

C. Fair value of Financial Instruments measured at amortised cost :

Due to the short-term nature of cash and cash equivalents and the short-term maturities of trade receivables, loans, liabilities,other laibilities and assets the management considers that the carrying amount of assets and liabilities recognised at amortised cost in financial statements is approximate to their fair value.

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

D. Valuation inputs and relationship to fair value

There are no material level 3 fair value measurements in respect of the financial assets and liabilities of the company.

NOTE NO. 40
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and otherpayables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed by the senior management in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by professionals who have the appropriates kills, experience and supervision. It is the Company's policy that no trading inderivatives for speculative purposes may be undertaken.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2018. The sensitivity analysis for equity price risk has been prepared on the basis of the fair value of the equity investments carried as FVTPL (under current investments) and basis change in equity price.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with fixed & floating interest rates.

NOTE
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd..)*

Sensitivity Analysis of the Interest Rate

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

		Effect on profit before tax in INR lakhs	
31st March 2018		31st March 2018	31st March 2017
INR	100bp increase	(0.04)	(0.03)
INR	100bp decrease	0.04	0.03

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market analysis environment, showing a significantly higher volatility than in prior years.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by using foreign currency forward contracts.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

(1) Foreign Currency Risk Exposure

The company exposure to foreign currency risk at the end of the year expressed in INR as follows:

Financial Assets	31st March 2018 (in Lakhs)	31st March 2017 (in Lakhs)
Trade Receivables - USD	213.44	108.21
Forward Cover Contracts - USD	647.53	-
Net unhedged Exposure - USD	(434.09)	108.21

(2) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non- designated foreign currency derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Sensitivity Analysis

		Effect on profit before tax in INR lakhs	
		31st March 2018	31st March 2017
USD Exposure in INR	1% -Strengthening	(4.34)	1.08
USD Exposure in INR	1% -Weakening	4.34	(1.08)

(c) Equity Price risk

The company carries a significant amount of investments held as FVTPL (under current investments) which are affected by swings in the equity price in the market. The risk of equity price changes are managed by the company by closely monitoring the market position and accordingly determining the entry and exit into the markets from time to time and also by having a diversified portfolio of investments.

NOTE
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd..)*

Sensitivity Ananlysis

		Effect on profit before tax in INR lakhs	
		31st March 2018	31st March 2017
Equity price exposure for current investments	1% -Strengthening	16.03	19.30
Equity price exposure for current investments	1% -Weakening	(16.03)	(19.30)

(d) Commodity price risk

The prices of agricultural commodities are subject to fluctuations due to various factors. In the ordinary course of business, the company is exposed to commodity price risk to the extent its open sales are not balanced by inventory. The company has in place in a risk management policy to manage such risk by having conscious limits on the sales committed for future periods for which production is yet to be completed and inventory in place.

(B) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are set with approvals on the basis of the defined policies. Outstanding customer receivables are regularly monitored and exposures are kept with in the credit limits fixed for each customer.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Particulars	31 March 2018	31 March 2017
No of Customers to whom Sales made is more than 10% of the Turnover	2	4
Contribution of Customers in Sales more than 10% of Turnover	44.81%	58.07%

Particulars	31 March 2018	31 March 2017
No of Customers who owed more than 10% of the Total receivables	4	2
Contribution of Customers in owing more than 10% of Total receivables	73.72%	88.38%

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concent ration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

NOTE
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd..)*

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party.

The Company's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2018 and 31 March 2017 is the carrying amounts as mentioned in Notes.

(C) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank over drafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing with in 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended 31st March 2018	on demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 Years	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Interest-bearing loans and borrowings	-	-		-	-	-
Other financial liabilities	150.24	56.37	4.94	-	-	211.55
Trade and other payables	-	159.42	-	-	-	159.42
Year ended 31 March 2017						
Interest-bearing loans and borrowings	-	-	-	-	-	-
Other financial liabilities	150.29	59.11	-	-	-	209.40
Trade and other payables	-	180.94	-		-	180.94

NOTE NO. 41
CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by fund attributable to Equity Shares Holders. The company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits, excluding discontinued operations.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

The company's borrowing facilities comprising cash credit facility of Rs.275 Lakhs - Cash credit & Export Packing Credit in foreign currency which is secured by hypothecation of stock-in-trade, standing crops book debts, vehicles and also equitable mortgage of Katary Estate with Buildings thereon.

The company had access to the following undrawn borrowing facilities at the end of the reporting period.

Fund Based facilities	375.00	375.00
Non Fund Based facilities	2,130.00	2,130.00

NOTE : 42.1

INTEREST IN ASSOCIATES & JOINT VENTURES

Name of the entity	Place of Business	% of Ownership Interest	Relationship	Accounting Method	Quoted Fair Value			Carrying Value		
					As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
AVT Natural Products Limited	India	40.00%	Associate	Equity Method	21,928.90	23,969.50	17,055.80	8,877.41	8,309.87	7,537.46
Midland Corporate Advisory Services Private Limited*	India	32.89%	Associate	Equity Method	-	-	-	8.63	7.16	11.30
AVT Mccormick Ingredients Private Limited*	India	14.58%	Joint Venture	Equity Method	-	-	-	1,869.29	1,658.36	1,410.71

*Unlisted entity - no quoted price available

NOTE : 42.2

SUMMARISED FINANCIAL INFROMATION OF ASSOCIATES / JOINT VENTURES

	AVT Natural Products Limited			Midland Corporate Advisory Service Pvt. Ltd.			AVT McCormick Ingredients Pvt. Ltd.		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Current assets									
Cash and cash equivalents	691.20	1,058.07	796.68	13.34	1.96	6.41	269.50	579.10	209.50
Other assets	21,659.56	19,692.73	16,219.23	0.05	-	-	24,219.40	27,631.60	28,997.30
Total Current Assets	**22,350.76**	**20,750.80**	**17,015.91**	13.39	1.96	6.41	**24,488.90**	**28,210.70**	**29,206.80**
Total Non-Current Assets	**10,608.43**	**6,774.64**	**6,799.42**	13.41	20.41	28.48	**4,074.00**	**3,371.70**	**3,553.50**
Current liabilities									
Financial Liabilities (excluding trade payables)	3,957.01	1,717.42	1,145.04	-	-	-	9,570.70	12,699.60	12,782.10
Other Liabilities	4,057.75	2,160.82	1,273.37	0.56	0.61	0.53	5,498.30	6,731.40	9,417.50
Total current liabilities	**8,014.76**	**3,878.24**	**2,418.41**	**0.56**	**0.61**	**0.53**	**15,069.00**	**19,431.00**	**22,199.60**
Non-current liabilities									
Financial Liabilities (excluding trade payables)	-	-	-	-	-	-	-	-	79.90
Other Liabilities	**1,109.63**	**1,231.24**	**911.98**	-	-	-	285.90	389.80	417.30
Total Non-current liabilities	**1,109.63**	**1,231.24**	**911.98**	-	-	-	**285.90**	**389.80**	**497.20**
Net Assets	23,834.80	22,415.96	20,484.94	26.24	21.76	34.36	13,208.00	11,761.60	10,063.50

NOTE : 42.3
RECONCILIATION TO CARRYING AMOUNTS

Particulars	AVT Natural Products Limited		Midland Corporate Advisory Services Pvt. Ltd.		AVT McCormick Ingredients Pvt. Ltd.	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Opening Net Assets	22,415.96	20,484.94	21.76	34.36	11,761.60	10,063.50
Profit for the year	2,420.84	2,444.95	4.48	(12.60)	2,229.70	1,839.80
Other Comprehensive Income	(268.86)	219.23	0	0	(263.40)	248.30
Dividends paid including dividend distribution tax	(733.14)	(733.16)	0	0	(519.90)	(390.00)
Closing Net Assets	23,834.80	22,415.96	26.24	21.76	13,208.00	11,761.60
Group's Share in %	40.00%	40.00%	32.89%	32.89%	14.58%	14.58%
Group's Share in INR	9,533.92	8,966.39	8.63	7.16	1,926.17	1,715.23
Carrying amount	8,877.41	8,309.87	8.63	7.16	1,869.29	1,658.36

NOTE : 42.4
SUMMARISED STATEMENT OF PROFIT AND LOSS

Particulars	AVT Natural Products Limited		Midland Corporate Advisory Services Pvt. Ltd.		AVT McCormick Ingredients Pvt. Ltd.	
	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017	Year ended 31st March 2018	Year ended 31st March 2017
Revenue From Operations / Income from services	32,827.61	31,183.15	18.00	17.00	38,625.30	45,372.10
Interest Income	29.42	23.81	0.23	0.30	8.00	12.00
Depreciation and amortization expense	716.26	699.82	4.63	6.98	268.70	267.60
Interest Expenses	130.30	71.27	-	-	470.90	604.60
Income Tax Expense	1,162.29	1,397.79	-	-	1,221.00	992.10
Profit (Loss) for the year	2,420.84	2,444.95	4.48	(12.60)	2,229.70	1,839.80
Other comprehensive Income for the year, net of tax	(268.86)	219.23	-	-	(263.40)	248.30
Total Comprehensive Income for the year	2,151.98	2,664.18	4.48	(12.60)	1,966.30	2,088.10
Dividends received	243.65	243.65	-	-	63.00	47.25

NOTE : 43

ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

Name of the entity in the group	Net Assets i.e. Total Assets - Total liabilities		Share in Profit or Loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net	Amount (in lakhs)	As % of consolidated Profit or Loss	Amount (in lakhs)	As % of consolidated other Comprehensive Income	Amount (in lakhs)	As % of total Comprehensive Income	Amount (in lakhs)
Parent								
Neelamalai Agro Industries Limited								
March 31, 2018	24.99%	3,593.88	(2.01%)	(26.97)	49.00%	(142.13)	(18.01%)	(169.10)
March 31, 2017	26.99%	3,607.32	(2.01%)	(18.62)	(14.00%)	(15.64)	(3.01%)	(34.26)
Associates(Investments as per Equity Method)								
AVT Natural Products Limited								
March 31, 2018	62.00%	8,877.41	76.00%	918.74	37.00%	(107.54)	88.00%	811.20
March 31, 2017	61.00%	8,309.87	80.00%	928.38	81.00%	87.69	80.00%	1,016.07
Midland Corporate Advisory Services Private Limited								
March 31, 2018	0.01%	8.63	0.01%	1.47	-	-	0.01%	1.47
March 31, 2017	0.01%	7.16	0.01%	(4.14)	-	-	0.01%	(4.14)
Joint Venture(Investments as per Equity Method)								
AVT Mccormick Ingredients Private Limited								
March 31, 2018	13.00%	1,869.29	26.00%	312.35	13.00%	(38.41)	30.00%	273.94
March 31, 2017	12.00%	1,658.36	22.00%	258.68	33.00%	36.21	23.00%	294.89
Total								
March 31, 2018	100.00%	14,349.21	100.00%	1,205.59	100.00%	(288.08)	100.00%	917.51
March 31, 2017	100.00%	13,582.71	100.00%	1,164.30	100.00%	108.26	100.00%	1,272.56

All amounts are in INR Lakhs unless otherwise stated

NOTE NO. 44
DEPOSIT AND ADVANCES IN THE NATURE OF LOANS TO ASSOCIATES / JV

Particulars	Nature	Maximum Amount outstanding during the year	Balance outstanding as on March 31, 2018	Maximum Amount outstanding during the pervious year	Balance outstanding as on March 31, 2017
AVT Nature Products Limited	Associate	-	-	-	-
Midland Corporate Advisory Services Pvt. Ltd.	Associate	-	-	-	-
AVT McCormick Ingredients Pvt. Ltd.	Joint Venture	-	-	-	-

* There were no deposits and advances in the nature of loans made by company to the firms/companies in which directors are interested.

NOTE NO. 45
DIVIDENDS

Dividends paid during the year 2017-18 represent final dividend of 20% declared in the financial year 2016-17 (Rs.151.02 lakhs inclusive of DDT).

The dividends declared by Neelamalai Agro Industries Limited are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of Neelamalai Agro Industries Limited. Subsequent to March 31, 2018, the Board of Directors of Neelamalai Agro Industries Limited have proposed a dividend of Rs.20 per share (200 percent) in respect of financial year 2017-18. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately INR Rs.151.02 lakhs, inclusive of corporate dividend tax.

As per our Report of even date attached
For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No. 003990S/S200018

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 29.05.2018

For and on behalf of the Board of Directors

Ajit Thomas
Chairman
Din : 00018691

F. S. Mohan Eddy
Director
Din : 01633183

T. M. Harikumar
Company Secretary & CFO

PARTICULARS OF PROFITS, PROVISIONS, DIVIDENDS PAID ETC.

For the last ten years

Season	Net Profit before taxation	Provision for Depreciation	Provision for Taxation	Allocation to Reserve Funds	Dividend on Equity shares.	
	Rs.	Rs.	Rs.	Rs.	Rs.	%
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 (Net of MAT credit entitlement of Rs. 1,96,00,000)	6,00,00,000	6,27,35,000 (Special Interim Divided)	1000
					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 Divided)	200
					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 Divided)	200
					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)	200
					1,25,47,000 (Interim Divided II)	200
2016/2017	1,94,47,064	95,50,774	10,56,000 (Net of MAT credit utilisation of Rs. 6,26,000)	Nil	1,25,47,000	200
2017/2018 (Ind AS) (Rs. in Lakhs)	360.08	106.65	80.39	Nil	125.47	200*

* Recommended

AREA PARTICULARS

Area as on 01-04-2018

	KATARY Hectares	SUTTON Hectares	TOTAL Hectares
TEA:			
In bearing	236.94	304.05	540.99
Immature	18.43	10.00	28.43
Buildings, Roads, etc.	26.39	39.75	66.14
TOTAL	281.76	353.80	635.56

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 75th Annual General Meeting of theCompany at 12 noon on Wednesday, the 22nd August, 2018 at the Registered Office of the Company at Katary Estate, Katary Post, Coonoor, The Nilgiris - 643213

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

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 75th Annual General Meeting of the Company,to be held on Wednesday, the 22nd August, 2018 at 12 noon 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 31.03.2018
2. Declaration of Dividend
3. Re-appointment of Mr. Ajit Thomas as Director
4. Re-appointment of Mrs.Shanthi Thomas as a Whole-Time Director

Revenue Stamp of Re 1/-

Signed this .... day of 2018

Signature of shareholder

Signature of Proxy holder(s)

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.

CAMEO CORPORATE SERVICES LIMITED
Subramanian Building, No.1 Club House Road, Chennai 600 002, Tamilnadu
CIN : U67120TN1998PLC041613 Ph: 91 - 44 - 28460390, 40020700 (Board)
Email : investor@cameoindia.com Web : www.cameoindia.com

Dear Shareholder,

Sub: Updation of PAN & Bank Details – Reg

This has reference to the shares held by you in Neelamalai Agro Industries Ltd. We draw your attention to the circular issued by Securities and Exchange Board of India (SEBI) No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20/04/2018. SEBI, in point no. 12 (ii) of the Annexure to its circular had directed all the listed companies to send a communication to all its shareholders, who are holding shares in physical form and obtain copy of the PAN of all the holders and Bank account details of the first / sole shareholder of the company.

These guidelines are issued by SEBI to streamline and strengthen the procedures and processes with regard to handling and maintenance of records, transfer of securities and payment of dividend/interest/redemption by the RTAs, Issuer Companies and Bankers to Issue.

To enable us to update the PAN and Bank account details, we request you to kindly submit the following documents:

- Copy of self-attested PAN card of the shareholders including joint holders, if any in the format attached
- Bank a/c details of the first/sole shareholder, as per the Bank Mandate format attached
- Original cancelled cheque leaf with the name of the first/sole shareholder printed on it or copy of bank passbook showing name & account details of the account holder attested by the bank

On receipt of the above documents, we will update the same in our records.

In case of dividend declaration by the company, all dividends including past unpaid dividends, if any, will be directly credited to the bank account furnished by you. It is not out of place to mention here that under section 124 (6) of the Companies Act 2013, if dividends remain unpaid / unclaimed for a period of seven consecutive years then the underlying shares are also liable to be transferred to the account of IEPF authority.

Hence, we request you to kindly submit the documents sought above within 21 days from the date of this letter.

We also request you to kindly arrange to send us the first/sole shareholders email Id for sending future communications as per the format attached.

Thanking you,
Yours sincerely
For Cameo Corporate Services Limited

Authorised Signatory

Encl : As above

PAN MANDATE FORM

NAME OF THE COMPANY	FOLIO No.							

First /Sole Shareholder Name		**PAN1**										
First Jt. Holder Name		**PAN2**										
Second Jt. Holder Name		**PAN3**										
Third Jt. Holder Name		**PAN4**										

(SELF-ATTESTED COPIES OF PAN CARD ENCLOSED HEREWITH)

. . . .

ECS MANDATE FORM

Name of the Bank	
Branch Name & Address	
Bank A/c Type (SB A/c / Current A/c)	
Bank A/c No.	
Bankers MICR ECS code No	
Bankers IFSC Code	

(ORINGAL CANCELLED CHEQUE LEAF WITH THE NAME OF SHAREHOLDER PRINTED ATTACHED HEREWITH)

. . . .

EMAIL REGISTRATION FORM

Email ID	
Telephone No. / Mobile No.	

I hereby convey my consent to receive all communications, Annual Report and Notice of the Meetings from the company through Email rather than hard copy

SIGNATURE OF THE FIRST/SOLE SHAREHOLDER : ……………………………………………….