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 - 682 036, Kerala
Tele : (0484) 2315312 Fax : (0484) 2312541
Corporate Identity Number (CIN): L01117TZ1943PLC000117
E-Mail : secneelamalai@avtplantations.co.in
Website : www.neelamalaiagro.com

Date: 07th August, 2019

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

Dear Sir/Madam,

Sub: Submission of Annual Report for the Financial Year 2018-19
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015)

In terms of requirement of Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report along with the Notice of Annual General Meeting for the Financial Year 2018-19.

The same has been hosted on our website of the company, i.e. www.neelamalaiagro.com.

This is for your information and records. Kindly acknowledge the receipt of the same.

Thanking you

Yours faithfully,

For NEELAMALAI AGRO INDUSTRIES LIMITED

S. LAKSHSMI NARASIMHAN
Company Secretary & Compliance Officer

NEELAMALAI AGRO INDUSTRIES LIMITED

76th Annual Report
2018 - 2019

SEVENTY SIXTH ANNUAL GENERAL MEETING

Day	:	Friday
Date	:	30th August, 2019
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

AUDIT COMMITTEE

Mr. A.D.Bopana, *Chairman*

Mr. Ajit Thomas

Mr. F. S. Mohan Eddy

KEY MANAGERIAL PERSONNEL

Mrs. Shanthi Thomas, *Executive Director*

Mr. T.M. Harikumar *(upto 30.09.2018)*
Company Secretary & Chief Financial Officer

Mr. Deepak G Prabhu *(w.e.f. 01.10.2018)*
Chief Financial Officer

Mr. S. Lakshmi Narasimhan *(w.e.f. 14.02.2019)*
Company Secretary

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@avtplantations.co.in
Website : www.neelamalaiagro.com
CIN : L01117TZ1943PLC000117

CONTENTS

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the SEVENTY SIXTH 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 Friday, the 30th day of August, 2019 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, 2019 and the Reports of Board Directors and Auditors thereon.
2. To declare Final 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. Change in Clause No.140A - Alteration of Articles of Association of the Company

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

RESOLVED THAT pursuant to the provisions of Section 5, 14, 152 (6) (a to d), and other applicable provisions, if any, of the Companies Act, 2013, Rules thereunder (including any statutory modifications(s) or re-enactment(s) thereof for the time being in force) and subject to approval of the Shareholders, the Articles of Association of the Company be and is hereby altered in following manner:

"**Existing clause No.140-A:** The Managing Director or Managing Directors or Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be taken into account for purpose of computing the 1/3rd of the total number of Directors liable to retire by rotation under Section 156 of the Companies Act, 1956."

To be amended as

"The Managing Director or Managing Directors or Whole Time Director shall, while he/she continues to hold that office, be subject to retirement by rotation and he/she shall be taken into account for purpose of computing the 1/3rd of the total number of Directors liable to retire by rotation under Section 152 of the Companies Act, 2013."

On Behalf of the Board

Ajit Thomas
Chairman
DIN : 00018691

Chennai
28.05.2019

Registered Office :
Katary Estate, Katary Post
Coonoor, The Nilgiris, Tamilnadu - 643 213
CIN: L01117TZ1943PLC000117
Tel: 0423 - 2284235, Fax : 0423 - 2284080
E-mail- secneelamalai@avtplantations.co.in
Website : www.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 24.08.2019 to 30.08.2019 (both days inclusive) for the purpose of Annual General Meeting.
5. The final dividend as recommended by the Board, if approved at this meeting, will be paid within 30 days from the date of AGM, to those members whose names appear in the Register of Members on that date.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
7. The Company has appointed M/s Cameo Corporate Services Limited, Chennai as its Registrar & Share Transfer Agent and depository interface of the Company with CDSL and NSDL. Shareholders intending to hold their shares in electronic form may approach their depository participants for dematerialisation of shares. Shareholders may send their shares to M/s Cameo Corporate Services Limited. for effecting transmission / transposition.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. Pursuant to provisions of Section 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed Final Dividend for the financial year 2010-11 and Special Interim Dividend for the Financial Year 2011-12 to the Investor Education & Protection Fund (IEPF) constituted by the Central Government. Final Dividend declared for the financial year 2011-2012 remaining unpaid/unclaimed over a period of 7 years is liable to be transferred to the above fund during the year and no claim shall lie against the Company or the said Fund, once it is transferred. Members are advised to claim the unpaid dividend, if any, immediately.

    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 Authority. 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. Members are requested to note that trading of Company's shares through Stock Exchange are permitted only in demat form. Further, the Securities and Exchange Board of India(SEBI) mandated that all the transfers of the shares in the physical form shall not be allowed after 31st March 2019. Accordingly, members who have not yet converted their holdings into electronic demat form may do so immediately for their own interest.

16. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

17. 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 Share Transfer Agent or to the Company.

18. Members may also note that the Notice of the 76th Annual General Meeting and the Annual Report for 2018-2019 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.

19. In terms of section 101 of the Companies Act 2013 read with rule 18 of the Companies (Management and Administration) Rules, 2014 and section 136 of the Companies Act 2013 read with rule 11 of Companies (Accounts) Rules, 2014, electronic copy of the notice of 76th Annual General Meeting of the Company inter-alia, indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose e-mail id's are registered with the Company / depository participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their e-mail id, physical copies of the notice of the 76th Annual General Meeting of the Company inter-alia, indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.

20. 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 76th 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.

21. Instructions for members for voting electronically:

(i) The voting period begins on Tuesday 27.08.2019 (9 a.m.) ends on Thursday 29.08.2019(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) 23.08.2019, 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. For NSDL:8 Character DPID followed by 8 digits Client ID
   c. 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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.

(xxi) The following person shall be responsible to address grievances concerned with facility for remote e-voting:

Contact Name – Mr.Rakesh Dalvi, Designation- Manager, Address – Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400 013. Contact No.1800225533. Email ID – 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 23.08.2019. A person who is not a Member as on the cut off-date should treat this Notice for information purposes only.

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

Name of the Director	Mr. Ajit Thomas
Date of Birth	07.06.1954
DIN	00018691
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 2018-2019	4 (Four)
Relationship with other directors	He is the spouse of Mrs. Shanthi Thomas, Executive Director of the Company

Directorships held in other Companies as on March 31, 2019 (excluding Foreign Companies)

S. No.	Names of the Companies	Nature of office held
1.	A.V.Thomas & Company Limited	Executive Chairman
2.	AVT Natural Products Limited	Chairman
3.	The Nelliampathy Tea & Produce Company Limited	Chairman
4.	The Midland Rubber & Produce Company Limited	Chairman
5.	Midland Latex Products Limited	Chairman
6.	Aspera Logistics Private Limited	Chairman
7.	AVT Mccormick Ingredients Private Limited	Chairman
8.	Midland Corporate Advisory Services Private Limited	Chairman
9.	AVT Holdings Private Limited	Chairman
10.	AVT Gavia Foods Private Limited	Director
11.	A.V. Thomas Leather & Allied Products Private Limited	Director
12.	A V Thomas Investments Company Ltd.	Director
13.	Madura Micro Finance Limited	Director
14.	Saksoft Limited	Independent Director
15.	Grover Zampa Vineyards Ltd	Nominee Director

Memberships of Committees of other Companies

S. No.	Names of the Companies	Name of the Committee and nature of office held
1.	AVT Natural Products Limited	Chairman - Stakeholders Relationship Committee
2.	The Midland Rubber & Produce Company Limited	Chairman - Stakeholders Relationship Committee
3.	The Nelliampathy Tea & Produce Company Limited	Chairman - Stakeholders Relationship Committee
4.	A.V.Thomas & Company Limited	Chairman - CSR Committee
5.	The Midland Rubber & Produce Company Limited	Chairman - CSR Committee
6.	Saksoft Limited	Chairman - Audit Committee
7.	Saksoft Limited	Member - Nomination & Remuneration Committee
8.	Saksoft Limited	Member - Stakeholders Relationship Committee
9.	AVT Natural Products Limited	Member - CSR Committee
10.	Madura Micro Finance Limited	Member - CSR Committee
11.	Madura Micro Finance Limited	Member - Business Review Committee
12.	Madura Micro Finance Limited	Member - Borrowing Committee
Number of Shares held in the Company	: 4,14,468 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

Alteration of Articles of Association of the Company

As per the existing provisions of Clause 140-A of the Article of Association of the Company (AOA), the Managing Director or Whole-Time Director/Executive Director of the Company is not liable to retire by rotation (in the AGM) and as per Companies Act 2013, independent directors are also not liable to retire by rotation. In view of this provision, the AOA is required to be suitably amended.

Further, the Articles of Association are also amended suitably to comply with the requirements of the Companies Act, 2013.

The Board of Directors at their meeting held on 28th May, 2019 decided (subject to the approval of members) to alter the abovesaid existing clause of Articles of Association of the Company.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company. In order to comply with the provisions of Section 152 of the Companies Act 2013, it is proposed to amend the clause 140 A of the Articles of Association, to make the office of the Managing Director or Whole Time Director also liable to retire by rotation.

The Board recommends for approval by the members the resolution as set out at Item No.4 of the Notice as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, as set out at Item No. 4 of the Notice.

The altered Articles of Association of the Company is available for inspection in physical or in electronic form during specified business hours i.e. between 9:00 a.m. to 6:00 p.m. at the Registered Office of the company and copies thereof shall also be made available for inspection in physical or electronic form at the Registered Office and also at the Meeting.

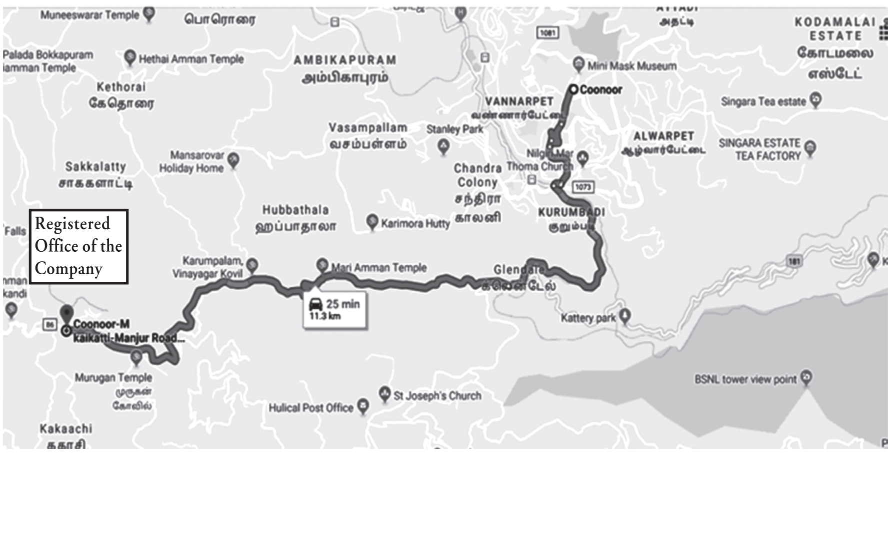
On Behalf of the Board

Ajit Thomas
Chairman
DIN : 00018691

Chennai
28.05.2019

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

ROUTE MAP



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventy Sixth(76th) Annual Report, with the Audited Financial Statement for the year ended March 31, 2019.

FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2019 is summarized below:

Amount Rs. Lakhs

Particulars	**2018 - 2019**	2017 - 2018
Income from operations		
a) Revenue from Operations	3659.96	2970.80
b) Other Income	454.21	422.32
Total Income from Operations (net)	4114.17	3393.12
Gross Profit before Depreciation, Finance Cost and tax	652.90	470.30
a) Finance Cost	3.84	3.57
b) Depreciation & Amortization expense	97.60	106.65
Profit before tax	551.46	360.08
Add/(Less) Exceptional Items	NIL	NIL
Profit after Exceptional Items	551.46	360.08
Tax Expenses (Net-off Deferred Tax)	8.25	80.39
Profit after Tax	**543.21**	**279.69**
Other Comprehensive Income for the year	70.71	(142.12)
Total Comprehensive Income for the year	613.92	137.57
Earnings per share(EPS)		
a) Basic	86.59	44.58
b) Diluted	86.59	44.58

OPERATIONS REVIEW

Total income increased from Rs. 3393 Lakhs in 2017-2018 to Rs.4114 Lakhs in 2018-2019. Profit after expenses and tax, comprehensive is Rs. 614 Lakhs (previous year : Rs. 138 Lakhs). The Company attained a growth of 21% compared to the previous year's operation.

Tea production during the year was 13.03 lakhs Kgs with an average yield of 2409 kgs. per hectare as against 11.35 lacs Kgs with an average yield 2126 kgs. per hectare during last year. Apart from this there is also a production of 12.29 Lacs kgs of bought leaf as against 11.77 Lacs Kgs during the previous year. The sale average during the year was at Rs.133.46 per Kg as against the last year's sale average of Rs. 127.40 per Kg.

DIVIDEND

Your Directors are pleased to recommend a final dividend of 200% (Rs.20 per share) on Equity Share Capital, for the year ended 31.03.2019, amounting to Rs. 125.47 Lakhs excluding dividend tax. During the year, the Board declared an Interim Dividend of 100% (Rs.10 per share) on Equity Share Capital, amounting to Rs.62.73 lakhs excluding dividend tax. The aggregate of dividend declared during the year was 300% (Rs.30 per share) on Equity Share Capital amounting to Rs.188.20 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 up to March 31, 2020 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, and Mr. F.S.Mohan Eddy are Independent Directors.

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

AUDIT COMMITTEE MEETINGS

The constitution of Audit committeeduring the year was as follows:-

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

Mr. Ajit Thomas (Director)

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 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Composition of the members in Stakeholders Relationship Committee is as mentioned below:

Mr. Ajit Thomas

Mr.A.D.Bopana

The Board has designated Mr. T. M. Harikumar, Company Secretary & CFO (upto 30.09.2018)and Mr.S.Lakshmi Narasimhan (w.e.f 14.02.2019) as the Compliance Officer.

As per Regulation 20 (2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, effective from 01.04.2019, the Stakeholders Relationship Committee of a listed company should have at least three directors, with at least one being an independent director. To comply with this provision, the Committee was reconstituted in the meeting held on 14th February 2019, to induct Mr. F.S. Mohan Eddy, Indenpendent Director as additional member and re-constituted Stakeholders Relationship Committee members during the year were as follows:

Mr. Ajit Thomas

Mr. A.D.Bopana

Mr. F.S.Mohan Eddy (w.e.f. 14.02.2019)

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

The details of the policy is uploaded in the website of the Company www.neelamalaiagro.com.

During the year, no instances of unethical behavior were reported.

NOMINATION & REMUNERATION COMMITTEE

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

Mr.Ajit Thomas

Mr.A.D. Bopana

Mr.F.S. Mohan Eddy

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

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, 2019.

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 with the quantum of 1691 shares (No. of shareholders- 22) 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 2018-2019.

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. Executive Director

   Mrs. Shanthi Thomas has been re-appointed as the Executive Director of the Company in the 75th AGM held on 22nd August 2018, for a further period of 3 years w.e.f. February 05, 2018, with the requisite 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.

   Re-appointment of Mr.A.D. Bopana, Independent Director :-

   During the year under review, Mr.A.D. Bopana, Independent Director, whose term ended on 31.03.2019, was re-appointed for the second term for three years i.e. w.e.f 01.04.2019 to 31.03.2022, as per Regulation 17A of SEBI (LODR), Regulations 2015.

3. 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 76th Annual General Meeting and being eligible, offers himself for re-appointment.

4. Key Managerial Personnel

   Mrs. Shanthi Thomas, Executive Director, Mr. T.M.Harikumar, Company Secretary & Chief Financial Officer (upto 30.09.2018), Mr.Deepak G Prabhu, Chief Financial Officer (w.e.f. 01.10.2018) and Mr.S.Lakshmi Narasimhan, Company Secretary (w.e.f. 14.02.2019) are the Key Managerial Personnel of the Company.

5. 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. 2484.51 Lakhs. The total outgo on Foreign Exchange amounted to Rs.14.94 Lakhs. The Company has continued to maintain focus and avail of export opportunities based on economic considerations.

STATUTORY INFORMATION

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

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

The statement containing remuneration paid to employees and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (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.

The Company complies with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013 for the financial year ended 31st March 2019.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

STATUTORY AUDITORS

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

The Company has received a certificate from M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

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 remark 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 the Board 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 for the current year.

BOARD INDEPENDENCE

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

Mr. A. D. Bopana

Mr. F. S. Mohan Eddy

In compliance with Schedule IV of the Companies Act, 2013 and Rules thereunder, the Independent Directors met on 14th February 2019 and discussed issues as prescribed under the schedule IV of the Companies Act, 2013 and evaluated the performance of the Board and the Company. The Directors expressed satisfaction on the performance of the Company.

ANNUAL EVALUATION BY THE BOARD

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

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

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

AUDITORS REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. PKF Sridhar & Santhanam LLP, Chartered Accounts in their report and by Mr.V. Suresh, Company Secretary in Practice, in his Secretarial Audit report.

The Statutory Auditor have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions entered into by the Company with Promoters, Directors or KMP etc., which may have potential conflict with the interest of the company at large.

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

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

The Related Party Transaction Policy as approved by the Board is uploaded on the website of the company.

CORPORATE GOVERNANCE

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

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

The Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 27 read with Part E of Schedule II and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 on Corporate Governance. The Management Discussion & Analysis Report and Report on Corporate Governance with Certificate on compliance with conditions of Corporate Governance have been annexed to this report (Annexure 5 & 6).

INTERNAL AUDIT, ITS ADEQUACY AND INTERNAL FINANCIAL CONTROL

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

In compliance with Section 138 of the Companies Act, 2013, the Company had engaged M/s. PSDY & Associates, Chartered Accountants, Ernakulam as the Internal Auditors of the Company for the financial year 2018-2019. Findings and observations of the Internal Auditors are discussed and suitable corrective actions are taken as per the directions of the Audit Committee on an on-going basis to improve efficiency in operations. Thus the internal audit function essentially validates the compliance of the Company. The Company's internal control systems are well established and commensurate with the nature of its business and the size and complexities of operations and adequate with reference to the financial statements as envisaged under the Companies Act, 2013. Your directors endorse that during the year under review, there were no reportable material weaknesses in the present systems or operations of internal controls.

CORPORATE SOCIAL RESPONSIBILITY

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors attend a Familiarization / Orientation Programme on being inducted into the Board. The Programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarize them with the process, business and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarization Programme is uploaded on the website of the Company.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Board of Directors has adopted revised Insider Trading Policy in their meeting held on 14th February 2019 in compliance with the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The insider trading policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with the shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by designated person/ employees and maintain the highest ethical standards of dealing in Company securities. The Company's New code of Conduct for Prevention of Insider Trading is uploaded on the website of the Company .

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed (Annexure 8). Also, the Annual Return of the Company is uploaded on the website of the Company.

INDUSTRIAL RELATIONS

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

RISK MANAGEMENT PLAN

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

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

Particulars	Risk Minimizing steps
Fixed Assets and Current Assets	The company has taken adequate insurance coverage of its fixed assets and current assets which will minimize the impact of another event or development.
Financial Risk	The company has a conservative debt policy. The debt component is very marginal
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 (upto 30.09.2018) and Mr.Deepak G Prabhu (w.e.f. 01.10.2018) has been assigned the task of informing the Board about the various risks and its mitigation by the Company from time to time.

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

DISCLOSURE OF ACCOUNTING TREATMENT

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Act and that an Internal Complaints Committee has been set up for redressal of complaints 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.

DIRECTORS' RESPONSIBILITY STATEMENT

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

I. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safe-guarding the assets of the company and for preventing and detecting fraud and other irregularities;

IV. The Directors had prepared the annual accounts on a going concern basis;

V. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

VI. The Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

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

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

On Behalf of the Board

Ajit Thomas

Chennai **Chairman**

28.05.2019 **DIN : 00018691**

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 2019	31st March 2019	31st March 2019
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%	14.58%	32.89%
3	Description of how there is significant influence	More than 20% of the Total Share Capital of the Associate Concern is held by Neelamalai Agro Industries Ltd.		
4	Reason why the associate / joint venture is not consolidated	The Account of Associates have been Consolidated		
5.	Networth attributable to shareholding as per latest audited Balance Sheet	10,064.75	2,262.40	7.82
6.	Profit / Loss for the year			
	i. Considered in Consolidation	783.67	383.53	(0.79)
	ii. Not Considered in Consolidation	---	---	---
	Total Networth of the company	25,161.89	15,517.20	23.78

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, 2019 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 to the median remuneration of all the employees of the Company for the financial year 2018-19

Median remuneration of all the employees of the Company for the Financial Year 2018-19- Rs. Lakhs	0.75
Percentage increase in the median remuneration of the employees in the Financial year 2018-19	9%
Number of permanent employees on the rolls of the Company as on 31st March 2019	623

(2) The percentage of increase in remuneration of Executive Director /Company Secretary & CFO during the financial year 2018-19

Sl. No.	Name of the Director / KMP	Desgination	Remuneration during the FY 2018-19 (Rs. in Lakhs)	% increase in Remuneration during FY 2018-19
a	Mrs. Shanthi Thomas	Executive Director	28.17	Nil
b	Mr. T M Harikumar	Company Secretary & CFO (upto 30.9.2018)	28.35	115% (Including superannuation benefits)
c	Mr. Deepak G Prabhu	CFO (w.e.f1.10.2018)	12.00	8%
d.	Mr. S Lakshmi Narasimhan	Company Secretary (w.e.f 14.02.2019)	1.43	Nil

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

There is an increase of 9% in the salaries of employees other than managerial personnel mainly due to increase in the salaries of managerial personnel during the year.

The company had paid the superannuation benefits to Mr T M Harikumar on his retirement on 30.09.2018.

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 2018 - 19

[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 byM/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 2019, 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 2019according to the provisions of:

(i) TheCompanies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External CommercialBorrowings;

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India (Employee Stock Option Schemeand Employee Stock Purchase Scheme) Guidelines, 1999 and The Securitiesand Exchange Board of India (Share Based Employee Benefits) Regulations,2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listingof Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;(Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)
- (h) The Securities and Exchange Board of India (Buyback ofSecurities) Regulations, 1998;(Not applicable to the Company during the audit period)

Other Laws specifically applicable to this Company is as follows:

(vi) PlantationLabour 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. There is no change in the composition of the Board of Directors during the period under review.

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 : Chennai
Date : 27.05.2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

1) BUSINESS PROFILE

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

The Company has two estates i.e. Katary & Sutton Estates, located in the Nilgiris District in 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 dropped when compared to the previous year for Orthodox Tea.

3) PERFORMANCE

During the year under review, sales has increased by 23.20%. The company has posted a comprehensive income (net of tax) of Rs.614 lakhs, as against Rs.138 lakhs during the last year. The summary of the performance is given below: -

Particulars	31.03.2019 Rs. Lakhs	31.03.2018 Rs. Lakhs
Sales	3,659.96	2,970.80
Other Receipts	454.21	422.32
Total Income	4,114.17	3,393.12
Material Cost	(910.80)	(818.13)
Expenses	(2,550.47)	(2,104.69)
Interest	(3.84)	(3.57)
Depreciation	(97.60)	(106.65)
Profit / (Loss) before Tax	551.46	360.08
Tax Expenses (Current & Deferred Tax)	(8.25)	(80.39)
Net Profit / (Loss)	543.21	279.69
Re-measurement of the post-employment benefit obligations	19.66	(146.21)
Changes in Fair Value of FVOCI Investments	78.31	(31.75)
Income Tax Expenses / (Credit)	(27.26)	35.84
Total comprehensive income	613.92	137.57

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.4114 Lakhs as against Rs. 3393 Lakhs during the previous year. Tea production including Bought Leaf during the year was 25.33 Lakhs kgs as against 23.11 Lakhs kgs. During the previous year. Other receipts have recorded an income of Rs.454 Lakhs 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 2019, the company has an employee strength of 1153 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.

ANNEXURE - 6

CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

The Board of Directors of the Company consists of Chairman and 3 Directors categorized as follows:-

Category	Name of the Directors
a. Promoter/Chairman	Mr. Ajit Thomas
b. Executive Director	Mrs. Shanthi Thomas
c. Non-Executive and Independent Directors	Mr. A. D. Bopana Mr. F.S. Mohan Eddy

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

The Board of Directors of the Company consists of persons of eminence, having good experience in business management, polymer technology, finance, accountancy and law. The Board of Directors meet as often as required but not less than four times a year i.e. once in a calendar quarter. The Directors receive minutes of all the meetings of the Board and of the respective Committee meetings wherever they are members; namely Audit Committee, Nomination & Remuneration Committee, Social Responsibility Committee and Stakeholders Relationship Committee. During the financial year 2018-19, four meetings of the Board of Directors were held on i) 29th May 2018, ii) 14th August 2018, iii) 8th November 2018, and iv) 14th February 2019.

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

Further, every Director informs the Company about the Committee position he / she occupies in other companies and notifies the changes as and when they take place. The details of directorships held by the Company's Directors in public limited companies as on 31st March 2019 and attendance at the Board Meetings of the Company are given below:

Name of the Director	Designation / Category of Directorship	No. of Board Meeting attended	Last AGM Attendance (Yes / No)	No. of other Directorships held	No. of other Committees of which Member / Chairman	Whether Chairman / Member
Mr. Ajit Thomas	Chairman	4	Yes	9	5	4 as Chairman 1 as Member
Mrs. Shanthi Thomas	Executive Director	3	No	2	1	Member
Mr. A.D.Bopana	Non- Executive Independent Director	4	No	4	4	Member
Mr. F.S. Mohan Eddy	Non- Executive Independent Director	4	Yes	2	1	Member

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

DIRECTORS' PROFILE IN OTHER LISTED ENTITIES

Sl. No.	Name of the Director	Name of the Company	Category of Directorship
1	Mr. Ajit Thomas	M/s. Saksoft Limited M/s. AVT Natural Products Limited	Independent Director Non - Executive Non - Independent Director
2	Mrs. Shanthi Thomas	M/s. AVT Natural Products Ltd	Non - Executive Non - Independent Director
3	Mr. A.D.Bopana	M/s. AVT Natural Products Ltd	Independent Director

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-organization. The information periodically placed before the board includes status of statutory compliance, proceedings / minutes of all committees including the audit committee.

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

KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

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

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

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

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

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

Confirmation

In the opinion of the Board that the Independent Directors fulfil the conditions specified under Regulation 34(3) and 53(f) of SEBI (LODR) Regulations, 2015 and are independent of the management.

POLICY ON BOARD DIVERSITY

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

a. Diversity is ensured through consideration of a number of factors, including but not limited to skills, regional and industry experience, background and other qualities.
b. The Nomination & Remuneration Committee shall lead the process for Board appointment and for identifying and nominating, for approval of the Board, can0didates for appointment to the Board.
c. Board appointments are based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender.
d. The Company shall also take into account factors based on its own business model and specific needs from time to time.
e. The benefits of experience/knowledge in the areas relevant to the Company and diversity continue to influence succession planning and continue to be the key criteria for the search and nomination of Directors to the Board.

Familiarisation programmes

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

Details of shareholding of Directors as on 31st March 2019

The number of equity shares of face value of Rs.10/- each of the Company held by the Directors as on 31st March 2019 is as under:

Shareholdings of Non-executive Directors

Name of the Non-Executive Director	No. of Shares held
Mr. Ajit Thomas (Promoter/Chairman)	4,14,468 equity shares jointly held with Mrs. Shanthi Thomas

Responsibilities:

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the intervening gap between the meetings is within the period prescribed under the Companies Act 2013. During the year under review the Board met four (4) times. The agenda of the Board meeting is circulated to all the Directors well in advance and contains all the relevant information. The Chairman is responsible for corporate strategy, planning, external contacts and Board Matters. The senior management personnel heading respective divisions are responsible for all day-to-day, plant operations related issues, productivity, recruitment, and employees retention for their divisions.

3. COMMITTEES

The Company has constituted various committee(s) in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company Secretary acts as the Secretary to all the Committees. Each of these Committees has the authority to engage outsider experts, advisors, and counsels to the extent it considers appropriate to assist in its functions. Minutes of the Committee meetings are circulated to the Directors and placed before the Board meeting for noting thereat.

Audit Committee

The Audit Committee was constituted in compliance with the Companies Act, 2013. During the year under review, four meetings of the Committee were held on i) 29th May 2018, ii) 14th August 2018, iii) 8th November 2018, and iv) 14th February 2019.

The Audit Committee comprises of Mr.A.D.Bopana, as Chairman – Non-Executive Independent Director and Mr.F.S. Mohan Eddy as Non-Executive Independent Director, Mr.Ajit Thomas, Non-Executive Non-Independent Director as members.

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

Name	Non-Executive / Independent	Number of Meetings held & attended
Mr. A.D.Bopana	Non-Executive, Independent	4
Mr. Ajit Thomas	Non-Executive	4
Mr. F.S. Mohan Eddy	Non-Executive Independent	4

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

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for terms of appointment and remuneration of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to quarterly and yearly financial statements
    f. Disclosure of any related party transactions
    g. Modified opinion in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report to be submitted by monitoring agency with regard to utilisation of proceeds of a public or rights issue, and making appropriate recommendations to Company's Board;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertaking or assets of the company, whenever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, reviewing Internal Control Systems in the organization;
13. Reviewing adequacy of internal audit function, if any, including structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors over significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO;
20. Approval or any subsequent modification/ changes of Related Party Transactions;
21. To investigate into any matter specified under Section 177(4) or any matter referred by the Board.
22. The Committee has power to obtain external professional help/ advice and has right to ask for any information/ explanation.

23 To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, if any.

Nomination and Remuneration Committee:

The present Members of the Committee are – Mr.Ajit Thomas, Non-Executive Director, Mr.A.D. Bopana and Mr.F.S. Mohan Eddy are the non-executive independent directors of the Company.

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

The Nomination and Remuneration committee met twice during the financial year viz. i) 14th August 2018 and ii) 14th February 2019. The necessary quorum was present for all the meetings. On 14th February 2019, the committee met to appoint Mr. S. Lakshmi Narasimhan, as Company Secretary and Compliance officer and fixation of remuneration and to evaluate the performance of every Director. The Chairman of the Nomination & Remuneration Committee meeting was present at the last Annual General Meeting. The composition of the Committee during the financial year and the details of the meetings held and attended by the members are as under:

Name	Non-Executive / Independent	Number of Meetings held & attended
Mr.A.D.Bopana	Non-Executive, Independent	2
Mr. Ajit Thomas	Non-Executive	2
Mr. F.S.Mohan Eddy	Non-Executive Independent	2

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

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

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

Remuneration of Directors/ Remuneration Policy:

Non-executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them.

The Sitting fees paid during the year 2018-19 are as under:

Name of Director	Sitting Fees
Mr. Ajit Thomas	Rs.66,000/-
Mr. A.D. Bopana	Rs.71,000/-
Mr.F.S. Mohan Eddy	Rs.71,000/-

Remuneration paid to Directors for the financial year 2018-19 is as under:

Name	Mrs. Shanthi Thomas, Executive Director
Salary	Rs.2,00,000/-
Variable Pay	As per Company's Policy.
Provident Fund	Company's contribution @ 12% in accordance with the rules of the Company
Gratuity	As per the Rules of the Company
Perquisites	Company car and communication facilities: Use of the Company's car, chauffeur and communication facilities at the residence for official purposes, as per the rules of the Company.

Stakeholders Relationship Committee:

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015, the Stakeholders Relationship Committee Members were – Mr.Ajit Thomas, Chairman, Mr.A.D. Bopana, Member. The Committee was reconstituted during in the meeting held on 14th February 2019, to induct Mr.F.S. Mohan Eddy, as additional Member.

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

Name	Non-Executive / Independent	Number of Meetings held & attended
Mr. Ajit Thomas	Non-Executive	27
Mr.A.D. Bopana	Non-Executive Independent	27
Mr. F.S. Mohan Eddy (w.ef. 14.02.2019)	Non-Executive Independent	4*

*Since attended upon appointment date i.e. 14.02.2019

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

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

Mr.S. Lakshmi Narasimhan, has been appointed during in the meeting held on 14th February 2019, as the Compliance Officer, as required by Regulation 6 of SEBI (LODR) Regulations 2015. He has been entrusted the task of meeting fully the requirements of the said Regulation and overseeing the share transfer work done by the Registrars and Share Transfer Agents; attending to grievances of the shareholders and investors; compliance with the statutory and regulatory requirements etc. of SEBI, and stock exchanges.

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

4. GENERAL BODY MEETINGS

Details of last three Annual General Meetings Held:

Year	Venue	Date	Time	Special Resolution/s Passed
2017-18	Katary Estate, Katary Post, The Nilgiris – 643 213	22nd August 2018	12.00 noon	Nil
2016-17	Katary Estate, Katary Post, The Nilgiris – 643 213	17th August 2017	12.00 noon	Nil
2015-16	Katary Estate, Katary Post, The Nilgiris – 643 213	08th August 2016	10.00 A.M.	Nil

Resolutions passed through postal ballot

During the year under review, the Company had passed two Special Resolutions as per Regulations 17A of SEBI (LODR), Regulations 2015 for the re-appointment and as well as continuation of Independent Director, Mr.A.D.Bopana, for the second term of appointment i.e. w.e.f 01.04.2019 to 31.03.2022.

Person who conducted the postal ballot exercise – Mr. V Suresh, Practising Company Secretary

Procedure adopted for Postal Ballot:

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provided electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company had engaged the services of M/s. Central Depository Services (India) Limited.

Postal ballot notices and forms were despatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The Company also published a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who wanted to exercise their votes by physical postal ballot were requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option were requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completed his scrutiny and submitted his report to the Chairman, and the consolidated results of the voting were announced by the Chairman / authorized officer. The results were also displayed on the Company website www.neelamalaiagro.com, besides communicated to the stock exchange, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting was the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

At present, there is no proposal to pass any special resolution through Postal Ballot.

5. DISCLOSURES

There are no non-compliances by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to Capital Markets during the year.

The Company has complied with all requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. MEANS OF COMMUNICATION

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

- The quarterly, half yearly and annual results of the Company's financial performances were published in two newspapers viz. Trinity Mirror in English and 'Makkal Kural in Tamil and displayed on Company's website, www.neelamalaiagro.com.
- The Annual Report is circulated to all members, and is also available on the Company's website.
- The Annual Report of the Company for the financial year 2018-19 is being e-mailed to the members whose e-mail addresses are available with the depositories or are obtained directly from the members, as per section 136 of the Companies Act, 2013 and Rule 11 of the Company (Accounts) Rules, 2014 and Regulation 36 of SEBI (LODR) Regulations, 2015. For other members, who have not registered their e-mail addresses, the Annual Report has been sent at their registered address. If any member wishes to get a duly printed copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.

7. GENERAL SHAREHOLDER INFORMATION

(i)	Annual General Meeting -Date and Time -Venue		August 30, 2019 at 12 noon Katary Estate, Katary Post, Coonoor, The Nilgiris - 643213
(ii)	Financial Calendar (Tentative)	Unaudited Results for the quarter ending 30.06.2019 quarter ending 30.09.2019 quarter ending 31.12.2019 Audited Financial Results for the year ending 31.03.2020	Before 14.08.2019 Before 14.11.2019 Before 14.02.2020 Before 30.05.2020
(iii)	Dates of Book Closure		24.08.2019 to 30.08.2019 (both days inclusive)
(iv)	Dividend Payment Date		Within 30 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 & NSDL for equity shares	BSE Ltd	NEAGI INE 605D01012

STOCK MARKET DATA - BSE LTD

Month	High Price	Low Price
Apr-18	1,350.00	1,350.00
Jun-18	1,324.05	1,261.00
Jul-18	1,392.30	1,201.00
Aug-18	1,324.10	1,260.00
Sep-18	1,344.00	1,279.90
Oct-18	1,627.50	1,409.90
Nov-18	1,600.00	1,520.00
Dec-18	1,700.00	1,475.20
Jan-19	1,580.50	1,501.50
Feb-19	1,575.00	1,401.50
Mar-19	1,356.00	1,291.50

8. TRANSFER AGENTS

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

9. 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 lodgment in case of Transfer and within 21 days in case of Transmission, as per the listing agreement.

Share Transfer Forms (SH-4) for shares held in physical mode which are received by the Company/Cameo Corporate Services Limited, complete in all respects are promptly processed and the share certificates are returned to the transferees within a period of 30 days from the date of receipt of transfer. Share transfer forms which are incomplete or cases where the Company/ Cameo Corporate Services Limited has noticed irregularities in the document are immediately returned to the transferees by registered post.

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

Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode after 31st March 2019.

Nomination facility for shareholding

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

Permanent Account Number (PAN)

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

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

a. Distribution of Shareholding as on 31.03.2019

No. of Equity Shares	Shareholders		No. of Equity Shares	
	Number	%	Number	%
Upto 500	807	94.06	102182	16.29
501-1000	34	3.96	27096	4.32
1001-2000	7	0.82	9466	1.51
2001-3000	3	0.35	7300	1.16
3001-4000	2	0.23	7000	1.11
4001-5000	0	0.00	0	0.00
5001-10000	1	0.11	8126	1.30
10001 & above	4	0.47	466180	74.31
TOTAL	858	100.00	627350	100.00

b. Pattern of Shareholding as on 31.03.2019

Category	No. of Equity Shares	Percentage
Promoters	4,22,594	67.37
Banks	4,250	0.68
NRI's	50	0.01
Bodies Corporate	7030	1.12
IEPF	30,895	4.92
Public	1,62,531	25.90
TOTAL	6,27,350	100.00

c. Dematerialisation of Shares

The shares of this Company are partially in demat form.

- The shares of the Company are available for dematerialisation (holding of shares in electronic form) on the depositories viz. CDSL and NSDL.
- Equity Shares of the company are to be compulsorily traded in the dematerialised form. As on 31st March 2019, 5,10,429 Equity Shares comprising of 70.89% of paid up capital of the company, have been dematerialised by the investors and bulk of transfers take place in the demat segment.
- Outstanding Stock

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

10. PRODUCTION CENTRES

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

11. ADDRESS FOR CORRESPONDENCE

P.B. No. 4260, Panampilly Nagar P. O., Kochi - 682 036
Telephone : 0484 - 2315312
Fax : 0484 - 2312541
E mail : secneelamalai@avtplantations.co.in
Website : www.neelamalaiagro.com

a. Address for correspondence

Investor correspondence may be addressed to any of the following:

Corporate Office	Registrar & Share Transfer Agents
Mr. S.Lakshmi Narasimhan Company Secretary & Compliance Officer Neelamalai Agro Industries Limited 60, Rukmani Lakshmipathi Salai Egmore, Chennai - 600 008 Tele :(O) +91 44-2855 3249 / (D) +91 44 2852 7775	**Contact Person Ms. D.Sofia** M/s. Cameo Corporate Services Ltd "Subramanian Building", No.1 Club House Road, Chennai-600 002 Tel: 044 28461173 / 40020733
Website : www.neelamalaiagro.com E-mail : secneelamalai@avtplantations.co.in / narasimhan.l@avtplantations.co.in	Website : www.online.cameoindia.com E-mail : sofia@cameoindia.com

b. Proposed Final Dividend:Rs.20/- (Rupees Twenty only) for Equity Shares of Rs.10/- each.

c. Electronic Clearing Service (ECS): The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages members to avail of this facility as ECS provides adequate protection against fraudulent interception and encashment of dividend warrants, apart from eliminating loss/ damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants.

d. Bank Details for electronic shareholding: Members are requested to notify their depository participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank accounts, including the MICR codes of their banks, to their DPs.

e. Furnish copies of Permanent Account Number (PAN): The members are requested to furnish their PAN which will help us to strengthen the compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002.

   For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.

f. Demat ISIN allotted to Equity Shares in CDSL and NSDL is INE 605D01012

g. Corporate Identification Number (CIN No.): L01117TZ1943PLC000117

h. Stock Code: NEAGI

12. OTHER DISCLOSURES

a. Related PartyTransactions:

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

b. Compliances:

The Company believes that it has complied with all the regulations of Stock Exchanges, SEBI or other statutory authority/ties on matters related to capital markets. No penalty has been imposed or strictures passed during the year against the Company by SEBI, Stock Exchange(s), or any other statutory authority.

c. Vigil Mechanism or Whistle-Blower Policy:

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

d. Policy on dealing with related party transactions:

The policy on dealing with related party transactions is provided in the company's website

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

	Rs. in Lakhs
Payment to Statutory Auditors FY 2018-19	
Audit Fees	Rs.7.00
Tax Audit Fees	Nil
Other Services	Nil
Reimbursement of expenses	Nil
Travelling and other expenses	Rs.3.19
Total	Rs.10.19

e. Certificate from Company Secretary in Practise

The Company has obtained a certificate from Mr.V.Suresh, Company Secretary in Practise that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

f. Recommendation of Committee

All the recommendations of the committees are accepted by the Board

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

h. Risk Management

The Company has since 2004-05, undertaken the exercise of identifying risks being faced by the company and ways of managing such risks. Risk minimization is being built up in the operating systems. Risks are periodically reviewed at both Audit committee level and Board of Directors of the company.

i. Meeting of Independent Directors

The company's Independent Directors met on 14th February 2019. The meeting was attended by all the Independent Directors and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

j. Prohibition of Insider Trading

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

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

This policy also provides for periodical disclosures from the designated person as well as pre-clearances of transactions by such persons.

k. CEO and CFO Certification

Certificate obtained from CEO and CFO, in terms of Regulation 17 of SEBI (LODR) Regulations, 2015, was obtained by the Company.

l. Management Discussion and Analysis forms part of the Directors Report.

m. Certification of Corporate Governance Report

Certificate from Mr.V. Suresh, Practicing Company Secretary, (Membership no.-6032) on Corporate Governance, as required by Regulation 34 of SEBI (LODR), Regulations, 2015, is incorporated in this Annual Report.

13. UNCLAIMED DIVIDEND

The Company has transferred the unpaid or unclaimed Final Dividend for the financial year 2010-11 and Special Interim Dividend for the Financial Year 2011-12 to the Investor Education & Protection Fund (IEPF) constituted by the Central Government. Final Dividend declared for the financial year 2011-2012 remaining unpaid/unclaimed over a period of 7 years is liable to be transferred to the above fund during the year and no claim shall lie against the Company or the said Fund, once it is transferred. Members are advised to claim the unpaid dividend, if any, immediately.

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

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred 1691 equity shares to the IEPF account during the financial year.

Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF

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

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

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

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

In accordance with Regulation 34(3) read with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial Year ended 31st March 2019.

For Neelamalai Agro Industries Ltd.,

AJIT THOMAS
Chairman
DIN : 00018691

Chennai
28.05.2019

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 conditions of Corporate Governance by Neelmalai Agro Industries Limited for the financial year 2018-19, as stipulated under Regulation 34 of SEBI (LODR) Regulations 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the 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 our information and according to the explanations given to me, and the representations made by the Directors and the management,

- I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 34 of SEBI (LODR) 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 further state that such compliance is neither an assurance as to the future viability of the Company or 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 : Chennai
Date : 27.05.2019

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 2018 - 2019

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
28.05.2019

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	100.80	Market Rate	Not Applicable	Nil
A. V. Thomas & Co. Ltd.	Common Control through constitution of Board / Share holding	Sale of Tea	On going transactions	0.90	Market Rate	Not Applicable	Nil
A. V. Thomas & Co. Ltd.	Common Control through constitution of Board / Share holding	C & F Charges	On going transactions	1.63	Market Rate	Not Applicable	Nil

ANNEXURE 8

FORM MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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	88

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary Associate	% of Shares held	Application Section
1	AVT Natural Products Ltd	L15142TN1986PLC012780	ASSOCIATECOMPANY	40.00	2(6)
2	Midland Corporate Advisory Services Pvt.Ltd	U65993TN2005PTC055807	ASSOCIATECOMPANY	32.89	2(6)
3	AVT McCormick Ingredients Private Ltd.	U51225TN1993PTC026433	ASSOCIATECOMPANY	14.58	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 [01.04.2018]				No. of Shares held at the end of the year [31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individuals/ HUF	414338	0	414338	66.05	414468	0	414468	66.07	0.02
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2600	0	26000	0.41	8126	0	8126	1.30	0.89
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)	416938	0	416938	66.46	422594	0	422594	67.37	0.91

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 [01.04.2018]				No. of Shares held at the end of the year [31.03.2019]				% 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)	416938	0	416938	66.46	422594	0	422594	67.37	0.91
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	500	3750	4250	0.68	500	3750	4250	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	3750	4250	0.68	500	3750	4250	0.68	0
2. Non-Institutions									
a) Bodies Corp.	2600	4790	7390	1.18	2290	4740	7030	1.12	(0.06)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	28355	118146	146501	23.35	32721	107031	139752	22.27	(1.08)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	20817	0	20817	3.32	20817	0	20817	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 [01.04.2018]				No. of Shares held at the end of the year [31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	400	0	400	0.06	0	0	0	0	(0.06)
Foreign Nationals	0	400	400	0.06	0	400	400	0.06	0
HUF's	400	0	400	0.06	0	0	0	0	(0.06)
IEPF	29204	0	29204	4.66	30895	0	30895	4.92	0.26
Non Resident Indians	50	0	50	0.01	50	0	50	0.01	0
Resident HUF	0	0	0	0	562	0	562	0.09	0.09
Trusts	0	1000	1000	0.16	0	1,000	1,000	0.16	0
Sub-total (B)(2):-	81826	124336	206162	32.86	87335	113171	200506	31.95	(0.91)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	82326	128086	210412	33.54	87335	116921	204756	32.63	(0.91)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	499264	128086	627350	100.00	510429	116921	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	414338	66.05	Nil	414468	66.07	Nil	0.02
2.	The Midland Rubber & Produce Co. Ltd.	2600	0.41	0	8126	1.30	0	0.89
	Total	416938	66.46	Nil	422594	67.37	Nil	0.91

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. MRS. SHANTHI THOMAS				
	At the beginning of the year 01-Apr-2018	414338	66.05	414338	66.05
	Demated 28-Dec-2018	50	0.01	414388	66.06
	Purchase 25-Jan-2019	80	0.01	414468	66.07
	At the end of the Year 31-Mar-2019	414468	66.07	414468	66.07
2	THE MIDLAND RUBBER & PRODUCE COMPANY LTD.				
	At the beginning of the year 01-Apr-2018	2600	0.41	2600	0.41
	Purchase 12-Oct-2018	1000	0.16	3600	0.57
	Purchase 02-Nov-2018	800	0.13	4400	0.70
	Purchase 16-Nov-2018	600	0.09	5000	0.79
	Purchase 07-Dec-2018	400	0.06	5400	0.85
	Purchase 28-Dec-2018	100	0.02	5500	0.87
	Demated25-Jan-2019	1860	0.30	7360	1.17
	Purchase 01-Feb-2019	300	0.05	7660	1.22
	Purchase 08-Feb-2019	66	0.01	7726	1.23
	Purchase 15-Feb-2019	300	0.05	8026	1.28
	Purchase 08-Mar-2019	100	0.02	8126	1.30
	At the end of the Year 31-Mar-2019	8126	1.30	8126	1.30

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	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS				
	At the beginning of the year 01-Apr-2018	29204	4.65	29204	4.65
	Purchase 22-Feb-2019	1445	0.23	30649	4.88
	Purchase 29-Mar-2019	246	0.04	30895	4.92
	At the end of the Year 31-Mar-2019	30895	4.92	30895	4..92
2.	MR.MAHENDRA GIRDHARILAL WADHAWANI (Demat)				
	At the beginning of the year 01-Apr-2018	10787	1.72	10787	1.72
	At the end of the Year 31-Mar-2019	10787	1.72	10787	1.72
3	MR. PANDICHERRIL PATHROSE ZIBI JOSE (Demat)				
	At the beginning of the year 01-Apr-2018	10030	1.60	10030	1.60
	Sale 31-Dec-2018	-10030	1.60	0	0
	At the end of the Year 31-Mar-2019	0	0	0	0
	MR. PANDICHERRIL PATHROSE ZIBI JOSE (Demat)				
	At the beginning of the year 01-Apr-2018	0	0	0	0
	Purchase 31-Dec-2018	10030	1.60	10030	1.60
	At the end of the Year 31-Mar-2019	10030	1.60	10030	1.60
4	MR.VEERIAH REDDIAR S				
	At the beginning of the year 01-Apr-2018	3600	0.57	3600	0.57
	At the end of the Year 31-Mar-2019	3600	0.57	3600	0.57
5	MR.ALAGAPPAN S (Folio No. 00001215)				
	At the beginning of the year 01-Apr-2018	3400	0.54	3400	0.54
	At the end of the year 31-Mar-2019	3400	0.54	3400	0.54
	MR.ALAGAPPAN S (Folio No. 00002011)				
	At the beginning of the year 01-Apr-2018	866	0.14	866	0.14
	At the end of the year 31-Mar-2019	866	0.14	866	0.14
6	MR. NAWAB SIR LIAQUAT HYAT KHAN.				
	At the beginning of the year 01-Apr-2018	2500	0.39	2500	0.39
	At the end of the Year 31-Mar-2019	2500	0.39	2500	0.39
7	M/s COASTLINE STOCKS & SHARES PVT.LTD.				
	At the beginning of the year 01-Apr-2018	2500	0.39	2500	0.39
	At the end of the Year 31-Mar-2019	2500	0.39	2500	0.39

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
8	M/s. STATE BANK OF INDIA				
	At the beginning of the year 01-Apr-2018	2300	0.37	2300	0.37
	At the end of the Year 31-Mar-2019	2300	0.37	2300	0.37
9	MR. RAMACHANDRA IYER P N				
	At the beginning of the year 01-Apr-2018	2000	0.32	2000	0.32
	At the end of the Year 31-Mar-2019	2000	0.32	2000	0.32
10	MRS. VAISHALI HIREN SHAH JT. HIREN VASANTRAI SHAH (Demat)				
	At the beginning of the year 01-Apr-2018	700	0.11	700	0.11
	Purchase 18-May-2018	100	0.02	800	0.12
	Purchase 13-Jul-2018	100	0.02	900	0.14
	Purchase 31-Aug-2018	496	0.08	1396	0.22
	Purchase 26-Oct-2018	104	0.02	1500	0.23
	At the end of the Year 31-Mar-2019	1500	0.24	1500	0.24

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. MRS. SHANTHI THOMAS				
	At the beginning of the year 01-Apr-2018	414338	66.05	414338	66.05
	At the end of the Year 31-Mar-2019	414468	66.07	414468	66.07
2.	MRS. SHANTHI THOMAS				
	At the beginning of the year 01-Apr-2018	0	0	0	0
	At the end of the Year 31-Mar-2019	0	0	0	0
3	MR.A.D.BOPANA				
	At the beginning of the year 01-Apr-2018	0	0	0	0
	At the end of the Year 31-Mar-2019	0	0	0	0
4	MR. F. S. MOHAN REDDY				
	At the beginning of the year 01-Apr-2018	0	0	0	0
	At the end of the Year 31-Mar-2019	0	0	0	0
5	MR.T.M.HARIKUMAR(retired on 30.09.2018)				
	At the beginning of the year 01-Apr-2018	2	0.0003	2	0.0003
	At the end of the Year 31-Mar-2019	2	0.0003	2	0.0003
6	MR. DEEPAK.G.PRABHU (w.e.f 01.10.2018)				
	As on 01-Oct-2018	0	0	0	0
	At the end of the Year 31-Mar-2019	0	0	0	0
7	MR. S. LAKSHMI NARASIMHAN (w.e.f 14.02.2019)				
	As on 14-Feb-2019	0	0	0	0
	At the end of the Year 31-Mar-2019	0	0	0	0

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

Rs. in Lakhs

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	0.66	0.66	1.32
	Commission	0	0	0
	Others, please specify Fee for attending Independent Director's Meetings	0.05	0.05	0.10
	Total (2)	0.71	0.71	1.42
2	**Other Non-Executive Directors**	Mr. Ajit Thomas		
	Fee for attending board & committee meetings	0.66		0.76
	Commission	0		0
	Others, please specify	0		
	Total (2)	0.66		0.66
	Total (B)=(1+2)			2.08
	Total Managerial Remuneration A + B			30.25
	Overall Ceiling	NOT APPLICABLE		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount Rs.
		Mr. T.M. Harikumar CS & CFO (upto 30.09.2018)	Mr. Deepak G Prabhu CFO (w.e.f 01.10.2018)	Mr. S. Lakshmi Narasimhan, CS (w.e.f 14.02.2019)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26.4	11.46	1.36	39.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				0
2	Stock Option				0
3	Sweat Equity				0
4	Commission - as % of profit - others, specify				 0 0
5	Others, please specify - P.F & Gratuity	1.95	0.54	0.07	2.55
	Total	28.35	12.00	1.43	**41.78**

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019

INDEPENDENT AUDITORS' REPORT

To the members of Neelamalai Agro Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Neelamalai Agro Industries Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as"standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, the profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalonefinancial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	**Accounting for Government Grants** The company is entitled to apply for and seek support from Tea Board towards Replanting expenditure, Rejuvenation Expenditure and also in respect of Orthodox manufacture. Further, the company is also entitled for Merchandise Exports from India Scheme incentives on exports. There are uncertainties attached to these government grants in respect of the timing and quantum of approvals based on the processing of the applications.	**Principal audit procedures:** • We have evaluated the company's process of determining the point of reasonable certainty in recognition of the grants, for different categories of grants and the robustness with which this process is consistently applied. • Our review also included the estimation process in terms of the grant amounts recorded as receivable and the process of re-evaluating the same at each period end • We also reviewed the disclosures made in the financial statements in terms of the policy and the treatment of the grants in terms of capital grants and revenue grants
2.	**Unobservable or interpolated inputs used for the valuation of certain level 2 investments** Given the ongoing market volatility and macroeconomic uncertainty, investment valuation is an area of inherent risk. The risk is not uniform for all investment types and is greatest for unquoted investments where the investments are hard to value because quoted prices are not readily available. The Company's accounting policies in respect of financial assets are included in the Company's accounting policies while the disclosures are included in Note No. 42 to the financial statements.	**Principal audit procedures:** • We assessed both the methodology and assumptions used by management in the calculation of the year end values of the investments as well as testing the governance controls that the Directors have in place to monitor these processes. • The testing included performing, amongst others, the following procedures: o Evaluating the methodology and assumptions in the valuation models; o Comparing the assumptions used against appropriate benchmarks and enquiring into significant differences; o Wherever available, recent transactions in the unquoted investments are appropriately considered.

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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".
   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 to the standalone financial statements;
      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2019;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
3. As required by Section 197(16) of the Act, we report that the remuneration paid by the Company to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

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

T V Balasubramanian
Partner
Membership No.027251

Chennai
28.05.2019

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

To the members of Neelamalai Agro Industries Limited

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Neelamalai Agro Industries Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2019.

i. In respect of the Company's 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 regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of the Company as at Balance Sheet date.

(ii) The inventory, except goods in transit and stocks lying withthird parties, has been physically verified by the managementat reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained. The discrepancies noticedon verification between the physical stocks and the book records were not material and have been dealt with in the books of account.

(iii) Based on our audit procedures & according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under section 189 of the Act and hence 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order 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) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of Income-tax, Sales Tax, Service tax, Goods and Services Tax(GST), Duty of customs, Excise duty and Value added tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of dues	Amount (Rs. Lakhs)	Forum where dispute is pending
Income Tax Act	AY 2012-13 & 2013-14	4.43	CIT (Appeals)
Value Added Tax Act	AY 2011-12 & 2014-15	8.98	Deputy Commissioner (Appeal)
Central Sales Tax Act	AY 2011-12 & 2015-16	3.45	Deputy Commissioner (Appeal)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to bank. The Company does not have any loans or borrowings from financial institutions, debenture holders or the government during the year.

(ix) According to the information and explanations given to us,the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, reporting under the clause3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian 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 or private placement of shares or fully or partly paid convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

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

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

T V Balasubramanian
Partner
Membership No.027251

Chennai
28.05.2019

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

To the members of Neelamalai Agro Industries Limited

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

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

We have audited the internal financial controls over financial reporting of Neelamalai Agro Industries Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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 31 March 2019, 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
28.05.2019

STANDALONE BALANCE SHEET

As at 31st March 2019

All amounts are in INR Lakhs

Particulars	Note No.	**As at 31st March 2019**	As at 31st March 2018
Assets			
Non-current Assets			
Property, plant and equipment	4	699.37	657.62
Capital work in progress	4	94.97	95.92
Investment property	5	269.82	269.82
Financial assets			
i) Investments	6	1,568.83	870.12
ii) Loans	7	4.73	4.96
iii) Other financial assets	8	34.52	34.55
Income Tax Assets (net)		20.19	9.79
Deferred Tax Assets (net)	9	8.88	---
Other non-current assets	10	125.23	93.81
Total non-current assets		**2,826.54**	**2,036.59**
Current Assets			
Inventories	11	464.75	416.69
Biological assets other than bearer plants	12	30.62	20.16
Financial assets			
i) Investments	13	1,526.92	1,602.84
ii) Trade receivables	14	175.71	269.47
iii) Cash and cash equivalents	15	15.19	164.65
iv) Bank balances other than cash and cash equivalents	15	110.27	236.60
v) Loans	7	1.28	1.28
Other current assets	10	63.09	45.13
Total current assets		**2,387.83**	**2,756.82**
Total assets		5,214.37	4,793.41
Equity			
Equity Share Capital	16	62.74	62.74
Other Equity	17	4,517.14	4,130.11
Total equity		**4,579.88**	**4,192.85**
Non-current liabilities			
Provisions	18	2.04	0.49
Deferred tax liabilities (net)	9	---	21.61
Total non-current liabilities		**2.04**	**22.10**
Current Liabilities			
Financial Liabilities			
i) Trade payables	19		
Total outstanding dues of micro and small enterprises		2.32	9.61
Total outstanding dues of creditors other than micro and small enterprises		132.58	149.81
ii) Other financial liabilities	20	328.60	211.55
Other current liabilities	21	18.97	22.53
Provisions	18	149.98	184.96
Total current liabilities		632.45	578.46
Total liabilities		634.49	600.56
Total equity and liabilities		5,214.37	4,793.41

Summary of significant accounting policies 3

See accompanying notes to the standalone financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 28.05.2019

For and on behalf of the Board of Directors

Shanthi Thomas
Executive Director
Din : 00567935

Ajit Thomas
Chairman
Din : 00018691

Deepak G. Prabhu
CFO

S. Lakshmi Narasimhan
Company Secretary
Membership No. A35541

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended 31st March 2019

All amounts are in INR Lakhs

	Particulars	Note No.	**Year ended 31st March 2019**	Year ended 31st March 2018
I	Revenue From Operations	22	3,659.96	2,970.80
II	Other Income	23	454.21	422.32
III	**Total Income (I+II)**		**4,114.17**	**3,393.12**
IV	**Expenses**			
	Cost of materials consumed	24	910.80	818.13
	Purchases of stock-in-trade	25	0.88	1.15
	Change in inventories	26	(31.25)	(149.20)
	(Gain) / loss on transformation of biological asset		(11.68)	7.88
	Employee benefits expense	27	1,566.90	1,349.72
	Finance costs	28	3.84	3.57
	Depreciation and amortization expense	29	97.60	106.65
	Other expenses	30	1,025.62	895.14
	Total expenses (IV)		**3,562.71**	**3,033.04**
V	**Profit before tax from (III - IV)**		**551.46**	**360.08**
VI	TAX EXPENSES	32		
	(1) Current tax (Including MAT credit utilisation CY 19.00 Lakhs : 31 March 2018: 30.41 Lakhs)		85.00	73.96
	(2) Deferred tax		(85.52)	6.43
	(3) Deferred tax adjustment in respect of prior years		8.77	---
VII	**Profit for the year**		**543.21**	**279.69**
VIII	**Other Comprehesive Income**			
	Items that will not be reclassified to profit or loss			
	(i) Changes in fair value of FVOCI investments		78.31	(31.75)
	(ii) Remeasurement of the post-employement benefit obligations		19.66	(146.21)
	(iii) Income tax relating to items that will not be reclassified to profit or loss		(27.26)	35.84
	Other comprehensive Income for the year, net of tax		**70.71**	**(142.12)**
IX	**Total Comprehensive Income for the year (VII +VIII)**		**613.92**	**137.57**
X	**Earnings per Equit Share (Face Value of Rs. 10/- each)**			
	(1) Basic	33	**86.59**	**44.58**
	(2) Diluted	33	**86.59**	**44.58**

Summary of significant accounting policies 3

See accompanying notes to the standalone financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 28.05.2019

For and on behalf of the Board of Directors

Shanthi Thomas
Executive Director
Din : 00567935

Ajit Thomas
Chairman
Din : 00018691

Deepak G. Prabhu
CFO

S. Lakshmi Narasimhan
Company Secretary
Membership No. A35541

STANDALONE STATEMENT OF CASH FLOW

For the year ended 31st March 2019

All amounts are in INR Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	551.46	360.08
Adjustments for:		
Depreciation and amortisation	97.60	106.65
(Profit) / Loss on sale of investments	(20.12)	(6.29)
(Profit) / Loss on sale of assets	(4.21)	(3.12)
Provision for Gratuity in P&L	(50.10)	180.28
Provision for Leave Encashment	(2.99)	5.17
Fair value gains recognised on investments	(78.20)	(77.57)
Fair value changes to Biological assets	(10.46)	7.88
Interest Income	(6.17)	(6.69)
Dividend Received	(342.37)	(328.27)
Interest Expense	3.84	3.57
Unrealised net foreign exchange difference	(0.65)	---
Operating profit before working capital changes	**137.63**	**241.69**
Adjustments for working capital changes		
(Increase) / Decrease in Inventories	(48.06)	(134.63)
(Increase) / Decrease in Loans	0.23	(1.43)
(Increase) / Decrease in Other Current Assets	(17.96)	(1.58)
(Increase) / Decrease in Other Non-Current Assets	(31.42)	(57.97)
(Increase) / Decrease in Other Non-Current Financial Assets	0.03	2.33
(Increase) / Decrease in Trade and other Receivables	94.41	(147.03)
Increase / (Decrease) in Other Financial Liabilities	117.05	2.15
Increase / (Decrease) in Other Liabilities	(3.56)	15.46
Increase / (Decrease) in Trade payables	(24.52)	(21.52)
Increase / (Decrease) in Provisions	39.33	(215.51)
	263.16	**(318.04)**
Net income tax paid (net)	(76.41)	(12.56)
Net cash (used) / generated in operating activities (A)	**186.75**	**(330.60)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment	(166.05)	(141.05)
Proceeds from disposal of property, plant & equipment	31.86	17.08
Interest received during the year	6.17	6.69
Dividend received on investment in associates and joint ventures	322.40	306.65
Dividend received on other non-current investment	0.33	0.20
Dividend received on current investment	19.64	21.42
Purchase of non-current investments	(839.95)	-
Sale of non-current investments	164.32	-
Investment in Shares & Mutual Funds (Net)	229.47	409.87
Proceeds from bank balances not considered as cash and cash equivalents	126.33	1.81
Net cash generated / (used in) from investing activities (B)	**(105.48)**	**622.67**

STANDALONE STATEMENT OF CASH FLOW

For the year ended 31st March 2019

All amounts are in INR Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
C. CASH FLOW FROM FINANCING ACTIVITIES*		
Interest Paid	(3.84)	(3.57)
Dividend Paid including Dividend Distribution Tax	(226.89)	(151.02)
Net cash generated / (used in) from financing activities (C)	**(230.73)**	**(154.59)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(149.46)**	**137.48**
Cash and cash equivalents at the beginning of the year	164.65	27.17
Cash and cash equivalents at the end of the year	**15.19**	**164.65**
Components of cash and cash equivalents:		
Cash and bank balances (Refer note no. 16)	15.19	164.65
	15.19	**164.65**

* Refer foot note for Net Debt Reconciliation.

Notes:

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

2 The figures in brackets represent cash outflow.

See accompanying notes to the standalone financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 28.05.2019

For and on behalf of the Board of Directors

Shanthi Thomas
Executive Director
Din : 00567935

Ajit Thomas
Chairman
Din : 00018691

Deepak G. Prabhu
CFO

S. Lakshmi Narasimhan
Company Secretary
Membership No. A35541

STANDALONE STATEMENT OF NET DEBT RECONCILIATION

For the year ended 31st March 2019

All amounts are in INR Lakhs

***Net debt reconciliation**

Particulars	31-Mar-19	31-Mar-18
Net debt		
Cash and cash equivalents	15.19	164.65
Current Investment	1,526.92	1,602.84
Current Borrowings	---	---
Net (debt)/ Cash & Cash Equivalents	**1,542.11**	**1,767.49**

	Accrued during the Year		Paid during the Year	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Finance Cost				
Interest on Short term borrowings	3.84	3.57	3.84	3.57
Total	**3.84**	**3.57**	**3.84**	**3.57**

	Other Assets		Borrowings	
	Cash and cash equivalents	Current Investments	Short Term Borrowings	Total Net borrowings
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**
Cash Flows	(149.46)	(154.12)	-	(303.58)
Unrealised fair value gains on current investments	-	78.20	-	78.20
Interest expense	-	-	(3.84)	(3.84)
Interest paid	-	-	3.84	3.84
(Net debt)/ Cash & Cash Equivalents as at 31 March 2019	**15.19**	**1,526.92**	-	**1,542.11**

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2019

All amounts are in INR Lakhs

A. Equity Share Capital

	Amount
Balance as at 1st April 2017	**62.74**
Changes in equity share capital during the year	---
Balance as at 1st April 2018	62.74
Changes in equity share capital during the year	---
Balance as at 31st March 2019	**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 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)
Reclassification from OCI to retained earnings	---	---	---	---	---
Dividend & Tax Paid on Dividend	---	---	(151.02)	---	(151.02)
Transfer to reserves	---	---	---	---	---
Balance as at 31st March 2018	**27.27**	**3,511.41**	**613.44**	**(22.01)**	**4,130.11**
Profit for the year	---	---	543.21	---	543.21
Other comprehensive income for the year	---	---	14.19	56.52	70.71
Reclassification from OCI to retained earnings			37.85	(37.85)	-
Dividend & Tax Paid on Dividend	---	---	(226.89)	----	(226.89)
Transfer to reserves	---	---	---	---	---
Balance as at 31st March 2019	**27.27**	**3,511.41**	**981.80**	**(3.34)**	**4,517.14**

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 : 28.05.2019

For and on behalf of the Board of Directors

Shanthi Thomas
Executive Director
Din : 00567935

Ajit Thomas
Chairman
Din : 00018691

Deepak G. Prabhu
CFO

S. Lakshmi Narasimhan
Company Secretary
Membership No. A35541

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 BSE Limited.

The standalone financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 28, 2019.

2. BASIS OF PREPARATION

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

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

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

2.1 CRITICAL JUDGEMENTS & ESTIMATES IN APPLYING ACCOUNTING POLICIES

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

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

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

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

- **Taxation:**

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

- **Defined benefit plans:**

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

NOTES (*contd.*)

- **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 unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

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

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

2.2 NEW STANDARDS NOTIFIED AND ADOPTED BY THE COMPANY:

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing from 1 April 2018 :

- Ind AS 115, revenue from contracts with customers
- Amendments to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance
- Appendix B, Foreign Currency Transactions and Advance consideration to Ind AS 21, The effect of changes in Foreign Exchange Rates
- Amendments to Ind AS 12, Income Taxes
- Amendments to Ind AS 40, Investment property
- Amendments to Ind AS 28, Investments in Associates and Joint Ventures and Ind AS 112 disclosure of Interests in Other Entities

The Company had changed its accounting policies following adoption of Ind AS 115. However, it did not have any significant impact on the financials as reported by the Company. None of the other amendments had any effect on the Company's financial statements.

2.3 Accounting standards notified but effective at a later date

(i) New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

The company has reviewed the key commercial arrangements which may be impacted by this standard and has determined that the application of Ind AS 116 may not have a material impact on the results or the financial position.

(ii) Other Amendments

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

(i) business combination accounting in case of obtaining control of a joint operation;

(ii) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;

(iii) income tax consequences in case of dividends;

(iv) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;

NOTES (*contd.*)

(v) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

(vi) accounting for prepayment features with negative compensation in case of debt instruments;

(vii) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;

(viii) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

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

2.4 Functional and Presentation Currency

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

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

3 Summary of significant accounting policies

3.1 PROPERTY, PLANT AND EQUIPMENT:

a. Recognition and Measurement

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

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

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

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

Subsequent costs

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

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

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

NOTES (*contd.*)

b. Depreciation:

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

Useful life adopted based on technical evaluation are as under :

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

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

3.2 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

Recoverable amount is the higher of fair value less cost 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.

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

3.3 INVENTORIES

Inventories are valued as under:

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

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

b. Work in Progress:

At cost or net realizable value, whichever is lower. Cost is determined on weighted average basis.

c. Stock - in - trade and Finished Goods

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

Cost includes direct material cost, direct labour cost, taxes and duties other than duties and taxes for which credit is available, freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

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

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

NOTES (*contd.*)

3.4 Employee benefits - Retirement benefit costs and termination benefits

i. Defined Contribution Plans

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

ii. Defined Benefit Plans

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

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit cost are categorised as follows:

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

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

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

iii. Compensated Absences

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

iv. Short term benefits

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

3.5 Financial Instruments

I. Financial Assets

a) Initial Recognition and Measurement

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

b) Subsequent Measurement

i) Financial assets carried at amortised cost (AC)

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

NOTES (*contd.*)

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

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

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

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

iv) Investments in associates and joint venture

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

c) 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.

II. Financial Liabilities

a) Initial Recognition and Measurement

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

b) 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) Derivative financial instruments and Hedge Accounting

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

NOTES (*contd.*)

d) Hedge accounting

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

e) 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.

f) 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.

g) 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.

3.6 Foreign currency

Initial Recognition

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

Subsequent Recognition

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

Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are converted at the year-end exchange rates and the resultant loss or gain, is recognised as income or expense in the statement of the profit and loss.

3.7 Fair value measurement

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

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

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

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

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

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

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

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

NOTES (*contd.*)

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

- Quantitative disclosures of fair value measurement hierarchy

- Financial instruments (including those carried at amortised cost)

3.8 Revenue recognition:

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

Sale of Goods:

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

Subsidies and export incentives:

Subsidy for production of orthodox teas and Subsidy under 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.

3.9 Finance Income and expense

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

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

3.10 Borrowing costs:

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

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

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

3.11 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

NOTES (*contd.*)

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

3.12 Governments Grants

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

Please refer note 4 for details of change in accounting policy for the government grant related to property, plant and equipment.

3.13 Taxation

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

(i) Current tax:

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

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

(ii) Deferred tax:

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

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

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

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

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

NOTES (*contd.*)

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

Minimum Alternative Tax

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

3.14 Earnings per share

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

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

3.15 Provisions & contingent liability:

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

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

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

3.16 Cash flow statement:

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

3.17 Dividends:

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

3.18 Segment Reporting:

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

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The Company operates 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.

NOTES (*contd.*)

3.19 Biological assets and other bearerplants

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

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

3.20 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.

Change in accounting policies

The Companies (Indian Accounting Standards) second amendment rules, 2018 has, during the current year, amended IND - AS 20 "Accounting for Government Grants and Disclosure of Government Assistance", which gives the option of presentation of amount of Government Grants related to asset, including non-monetary grants at fair value in the balance sheet either by setting up the amount of grant as deferred income or deducting the amount of grant in arriving at the carrying amount of the assets.

The Company till the previous year was presenting the amount of government grants related to replanting subsidy by setting up the deferred income. The Company has, during the current year, changed the accounting policy choice and deducted the net replanting subsidy amount in arriving at the carrying amount of assets. However there is no impact on the financial statements of the Company due to the above change in accounting policy. The Company has regrouped the figures of previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2019

NOTE : 4

Property, Plant and Equipment

(All amounts are in INR Lakhs)

	Freehold land and development	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Capital work in-Progress - Bearer Plants	Capital work in-Progress - Others
Cost								
At 1 April 2017	266.71	156.28	128.99	12.31	229.69	**793.98**	**38.42**	**1.51**
Additions/Transfers	---	2.76	38.90	0.15	36.15	77.96	54.17	3.33
Disposals/ Transfers	---	---	---	---	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**
Additions/Transfers	---	10.63	15.43	9.05	106.97	142.08	17.38	---
Subsidy received from government	---	---	---	---	---	---	(15.00)	---
Disposals/ Transfers	---	---	0.48	---	34.63	35.11	---	3.33
At 31 March 2019	**266.71**	**169.67**	**182.84**	**21.51**	**318.27**	**959.00**	**94.97**	---
Depreciation and impairment								
At 1 April 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**	---	---
Depreciation charge for the year	---	13.74	30.92	2.66	50.28	97.60	---	---
Disposals	---	---	0.46	---	31.92	32.38	---	---
At 31 March 2019	---	**46.66**	**92.73**	**8.27**	**111.97**	**259.63**	---	---
Net Block								
at 1 April 2018	266.71	126.12	105.62	6.85	152.32	657.62	92.59	3.33
at 31 March 2019	266.71	123.01	90.11	13.24	206.30	699.37	94.97	---

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	Capital work in-Progress - Bearer Plants	Capital work in-Progress - 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

	31 March 2019	31 March 2018
NOTE 5		
INVESTMENT PROPERTY - LAND		
At 1 April 2017	**269.82**	**269.82**
Additions	-	-
Disposals	-	-
At 31 March 2018	**269.82**	**269.82**
Additions	-	-
Disposals	-	-
Closing balance	**269.82**	**269.82**
Depreciation and impairment		
At 1 April 2017	-	-
Depreciation for the current period	-	-
At 31 March 2018	-	-
Depreciation for the current period	-	-
At 31 March 2019	**269.82**	**269.82**
Fair Value of the Investment property	318.41	318.41

Information regarding income and expenditure of Investment property

Particulars	31 March 2019	31 March 2018
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

NOTE 6
NON CURRENT INVESTMENTS

	Nature	31 March 2019	31 March 2018
Investment in equity shares of associate / joint venture companies at Cost			
Associate companies			
Quoted:			
AVT Natural Products Limited - 6,09,13,600 shares (As at 31 March 2018- 6,09,13,600 shares)	Associate	258.97	258.97
Unquoted:			
Midland Corporate Advisory Services Pvt. Ltd - 2,50,000 shares (As at 31 March 2018 - 2,50,000 shares)	Associate	25.00	25.00
Joint Venture:			
Unquoted:			
AVT McCormick Ingredients Private Limited - 31,50,000 shares (As at 31 March 2018- 31,50,000 shares)	Joint Venture	315.00	315.00
Less: Provision for diminution in value of investments		-	-
Sub Total		598.97	598.97
Investments at fair value through Other Comprehensive Income Investment in Equity Shares			
Unquoted:			
Grover Zampa Vineyards Ltd - 11,99,232 shares (As at 31 March 2018 - Nil shares)		824.95	-
Mohan Meakin Ltd - 2,000 shares (As at 31 March 2018 - Nil shares)		15.00	-
L.J.International Limited - 64 shares (As at 31 March 2018 - 64 shares)		0.21	0.21
A.V. Thomas & Company Limited - Nil shares (As at 31 March 2018 - 100 shares)		-	4.66
The Nelliampathy Tea & Produce Company Limited - 155 shares (As at 31 March 2018 - 515 shares)		0.62	2.06
The Midland Rubber & Produce Company Limited - Nil shares (As at 31 March 2018 - 157 shares)		-	6.21
Verna Global Holding Limited - 8543 shares (Face Value - GBP 0.01 per share) (As at 31 March 2018 - 8,543 shares)		128.02	124.68
Varna Design Private Limited - 70 shares (As at 31 March 2018 - Nil shares)		1.06	-
Investment in Preference Shares(unquoted)			
Vogo Automotive Services Private Limited - Nil shares (Face Value-1000 per share) (As at 31 March 2018 - 5,559 shares)		-	133.33
Sub Total		969.86	271.15
Grand Total Investments		1,568.83	870.12
Aggregate book value of quoted investments		**258.97**	**258.97**
Aggregate market value of quoted investments		**16,233.47**	**21,928.90**
Aggregate value of unquoted investments		**1,309.86**	**611.15**
Aggregate amount of impairment in the value of investments		-	-

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 7		
LOANS		
Loans		
(Unsecured, considered good)		
Non Current at amortized cost		
Loans to employees	4.73	4.96
less : Allowances for Credit Impaired - Loans to Employees	-	-
Total	**4.73**	**4.96**
Current at amortized cost		
Loans to employees	1.28	1.28
less : Allowances for Credit Impaired - Loans to Employees	-	-
Total	**1.28**	**1.28**
NOTE 8		
OTHER FINANCIAL ASSETS		
(Unsecured, considered good)		
A) Non Current		
Deposits with Public Bodies	15.95	15.32
Deposits with Others	17.71	18.37
Term deposit with bank maturing after 12 months from the Balance Sheet date (Refer Note 16)	0.86	0.86
Total	**34.52**	**34.55**
NOTE 9		
DEFERRED TAX LIABILITY / ASSETS (NET)		
Components of Deferred tax		
Deferred Tax Asset / (Liability)		
On account of depreciation	33.21	27.76
On account of Fair valuation of current investments	(53.71)	(128.17)
On account of Fair valuation of non current investments	(16.16)	5.49
Sub Total	**(36.66)**	**(94.92)**
MAT Credit Entitlement		
Opening balance	73.31	103.72
Less: Utilization during the year	19.00	30.41
Less: Adjustment in respect of prior years	8.77	-
Net MAT Credit Entitlement	**45.54**	**73.31**
Net deferred tax assets/(liabilities)	**8.88**	**(21.61)**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 10		
OTHER NON CURRENT ASSETS		
(Unsecured, considered good unless stated otherwise)		
A) Non Current		
Capital Advance	2.22	7.60
Government Subsidy receivable	123.01	86.21
	125.23	**93.81**
B) Current		
Export incentive receivable	18.63	-
Advance to suppliers	16.55	30.88
GST Input Receivable	27.91	14.25
Total	**63.09**	**45.13**
NOTE 11		
INVENTORIES		
Raw materials	3.51	2.30
Finished goods	403.07	371.82
Stores, Spares and Packing Materials	59.25	43.85
Less: Provision for Slow Moving/Non Moving Inventories	1.08	1.28
Total inventories at the lower of cost or net realisable value	**464.75**	**416.69**
i) Provision for Slow Moving/Non Moving Inventories		
Opening Balance	1.28	1.79
Add: Provision during the year	-	-
Less: Reversal of provision no longer required	0.20	0.51
Closing Balance	**1.08**	**1.28**

NOTE 12
BIOLOGICAL ASSETS

	Tea Leaves
Balance as at 1st April 2017	28.04
Change in fair value due to biological transformation	(7.88)
Balance as at 31st March 2018	**20.16**
Change in fair value due to biological transformation	10.46
Balance as at 31st March 2019	30.62

NOTE 13
INVESTMENTS

	No. of scrips / Units held		Amount in INR Lakhs	
	31-Mar-19	31-Mar-18	**31-Mar-19**	31-Mar-18
Current Investments				
Investments at fair value through Profit & Loss				
Quoted Equity Shares (Valued at market rate per share)				
Tata Consultancy Services Limited	4,864	2,432	97.36	69.29
IL & FS Transportation Networks Limited	-	1,000	-	0.60
Engineers India Limited	-	1,360	-	2.15
Nesco Limited	550	550	2.65	3.03
Infosys Limited	460	230	3.42	2.60
NMDC Limited	-	570	-	0.68
BSE Limited	7,442	7,442	45.48	56.28
Tata Sponge Iron Limited	75	75	0.57	0.69
Lakshmi Machines Limited	26	26	1.58	1.80
Ambika Cotton Mills Limited	130	130	1.46	1.68
Hero Motocorp Limited	38	38	0.97	1.35
IDFC Limited	17,840	17,840	8.30	8.70
IDFC First Bank Limited	8,120	8,120	4.51	3.84
Sriram Transport Finance Limited	670	670	8.56	9.65
Tata Motors Limited	-	300	-	0.98
TVS Srichakra Limited	17	17	0.37	0.55
Sriram City Union Finance Limited	83	83	1.54	1.77
Gulf Oil Lubricants India Limited	185	185	1.56	1.69
ICICI Lombard General Insurance Company Limited	-	2,000	-	15.88
UnQuoted Equity Shares*				-
Catholic Syrian Bank Limited	8,065	8,065	15.49	14.11
Tamilnad Mercantile Bank Limited	8,000	8,000	36.80	34.00
Mutual Funds (Valued at NAV)				-
ICICI Prudential Short Term Growth	20,90,633	20,90,633	807.42	756.70
ICICI Prudential Equity Arbitrage Fund	1,72,081	1,63,197	23.44	22.26
IDFC Arbitrage Fund	14,93,318	14,23,925	190.19	180.25
Kotak Equity Arbitrage Fund	8,93,787	8,49,151	95.71	90.79
ICICI Prudential Flexible Income Regular Plan - Growth	38,620	35,653	138.49	118.77
IDFC Ultra Short Term Fund- Growth	-	6,81,144	-	167.64
Reliance Liquid Bees	4,105	3,511	41.05	35.11
Total			**1,526.92**	**1,602.84**
Aggregate book value of quoted investments			178.33	183.21
Aggregate market value of quoted investments			178.33	183.21
Aggregate value of unquoted investments			1,348.59	1,419.63
Aggregate amount of impairment in the value of investments			-	-

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

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 14		
TRADE RECEIVABLES		
Non Current		
(Unsecured)		
Considered good*	175.71	269.47
Considered doubtful	-	-
	175.71	**269.47**
Less : Provision for doubtful debts	-	-
Total	**175.71**	**269.47**
* Includes dues from companies where directors are interested	0.95	1.21
* Includes dues from an associate	0.63	7.60
For Related Party balances - Refer Note 37		
NOTE 15		
CASH AND CASH EQUIVALENTS		
Cash on hand	1.37	0.21
Balances with bank in current account	13.82	164.44
Cash and cash equivalents as per balance sheet	**15.19**	**164.65**
Bank balances other than cash and cash equivalents:		
Balances with banks:		
In deposit accounts as margin money for Bank Guarantees*	-	86.35
In deposit account with original maturity more than three months	0.86	0.86
Earmarked Balances (unclaimed/unpaid dividend deposit accounts)	110.27	150.25
Bank balance	**111.13**	**237.46**
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 (Refer Note 9)	0.86	0.86
Net Bank balances other than cash and cash equivalents	**110.27**	**236.60**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018

NOTE 16
SHARE CAPITAL

	31 March 2019	31 March 2018
A. Authorised Share Capital		
Number of Ordinary (Equity) Shares	9,00,000	9,00,000
Face Value per Ordinary (Equity) share	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	**90.00**	**90.00**
Number of 5% Preference Shares	3,50,000	3,50,000
Face Value per 5% Preference share	10.00	10.00
5% Preference Share Capital in INR lakhs	**35.00**	**35.00**
B. Issued, Subscribed & Paid Up Share Capital		
Number of Ordinary (Equity) Shares	6,27,350	6,27,350
Face Value per Ordinary (Equity) share	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	**62.74**	**62.74**

C. Terms/ rights attached to Equity Shares

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

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

	As at 31.03.2019		As at 31.03.2018	
	Number of shares held	Amount	Number of shares held	Amount
Balance as at 1 April 2017	6,27,350	62.74	6,27,350	62.74
Movement during the year	-	-	-	-
Balance as at 31 March 2018	**6,27,350**	**62.74**	**6,27,350**	**62.74**
Movement during the year	-	-	-	-
Balance as at 31 March 2019	**6,27,350**	**62.74**	**6,27,350**	**62.74**

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

	As at 31.03.2019		As at 31.03.2018	
Name of the Share holder	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Mr. Ajit Thomas	4,14,468	66.07%	4,14,338	66.05%

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

All amounts are in INR Lakhs

NOTE 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 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)
Transfer to General Reserve	-	-	-	-	-
Dividend paid	-	-	151.02	-	151.02
As At 1 April 2018	**27.27**	**3,511.41**	**613.44**	**(22.01)**	**4,130.11**
Profit for the year	-	-	543.21	-	543.21
Other Comprehensive income for the year, net of Income tax	-	-	14.19	56.52	70.71
Reclassification from OCI to retained earnings	-	-	37.85	(37.85)	-
Transfer to General Reserve	-	-	-	-	-
Dividend & Tax Paid on Dividend	-	-	226.89	-	226.89
As At 31 March 2019	**27.27**	**3,511.41**	**981.81**	**(3.34)**	**4,517.14**

Nature and Purpose of other reserves

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

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 18		
PROVISIONS		
Non Current		
Provision for Compensated absences*	2.04	0.49
Total	**2.04**	**0.49**
Current		
Provision for Gratuity (funded)*	149.84	180.28
Provision for Compensated absences*	0.14	4.68
Total	**149.98**	**184.96**

*Refer Note 36 for details

NOTE NO. 19
TRADE PAYABLES

Due to Micro and Small Enterprises *	2.32	9.61
Due to other than Micro and Small Enterprises	132.58	149.81
Total trade payables	**134.90**	**159.42**

Note:

* 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. Refer Note 40 for further details

NOTE 20
OTHER FINANCIAL LIABILITIES

Particulars		
Other financial liabilities		
Unclaimed dividend	110.27	148.00
Unpaid Preference Share Capital	-	2.24
Forward Cover Contracts	-	4.94
Employee related liabilities	218.33	56.37
Total	**328.60**	**211.55**

NOTE 21
OTHER CURRENT LIABILITIES

Particulars		
Current		
Statutory Liabilities	18.97	22.53
Total	**18.97**	**22.53**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 22		
REVENUE FROM OPERATIONS		
Sale of products		
Tea	3,320.82	2,764.26
Tea Waste	128.84	102.42
Total Sale of Products (A)	**3,449.66**	**2,866.68**
Other Operating Revenue		
Tea subsidy	83.37	30.97
Timber	25.01	-
Export subsidies & other incentives	98.26	61.13
Duty drawback	3.66	12.02
Total Other Operating Revenue (B)	**210.30**	**104.12**
Total revenue from operations (A + B)	**3,659.96**	**2,970.80**
Disaggregation of sale of products by geography		
India	965.15	1,130.50
Rest of the world	2,484.51	1,736.18
Total	**3,449.66**	**2,866.68**

	31 March 2019	31 March 2018
NOTE 23		
OTHER INCOME		
Income from Investments:		
Non Current measured at fair value through Other Comprehensive Income	322.73	306.82
Current at fair value through Profit and Loss	19.64	21.45
Interest	6.17	6.69
Gain on fair value of investments measured at fair value through Profit and Loss	78.20	77.57
Profit on sale of investments at fair value through Profit and Loss	20.12	6.29
Profit on Sale of property, plant and equipment	4.21	3.12
Miscellaneous income	3.14	0.38
Total	**454.21**	**422.32**

	31 March 2019	31 March 2018
NOTE 24		
COST OF MATERIAL CONSUMED		
Raw material and components consumed	910.80	818.13
Total	**910.80**	**818.13**

	31 March 2019	31 March 2018
NOTE 25		
PURCHASE OF STOCK - IN - TRADE		
Inventory at the beginning of the year	-	-
Add: Purchases	0.88	1.15
Less: inventory at the end of the year	-	-
Total	**0.88**	**1.15**

	31 March 2019	31 March 2018
	All amounts are in INR Lakhs	
NOTE 26		
CHANGE IN INVENTORY		
Inventory at the beginning of the year	371.82	222.62
Less: inventory at the end of the year	403.07	371.82
Net (Increase)/Decrease	**(31.25)**	**(149.20)**
NOTE 27		
EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	1,329.17	1,151.05
Contribution to provident and other funds	189.48	151.19
Staff welfare expenses	48.25	47.48
Total	**1,566.90**	**1,349.72**
Refer to Note 36 for details on employee benefit		
The above includes		
- Net incremental gratuity provision of	(30.44)	119.63
- Net incremental leave salary provision of	(2.99)	(3.48)
NOTE 28		
FINANCE COSTS		
Interest on debts and borrowings at effective interest rate on borrowings	3.84	3.57
Total	**3.84**	**3.57**
NOTE 29		
DEPRECIATION EXPENSES		
Depreciation of tangible assets	97.60	106.65
Total	**97.60**	**106.65**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 30		
OTHER EXPENSES		
Other Manufacturing Expenses		
Consumption of stores and spares	152.25	162.31
Power and fuel	241.73	221.26
Repairs and maintenance	7.51	20.78
Rent and amenities	23.55	21.60
Repairs and maintenance		
Roads and buildings	54.40	40.92
Vehicles	80.98	54.97
Others	7.60	12.64
Insurance	7.48	11.43
Rates and taxes	8.17	4.23
Payment to statutory auditors (Refer Note 32)	10.19	7.00
Transport and warehousing	139.20	120.03
Brokerage and commission	96.53	74.11
Travelling expenses	56.48	52.40
Legal and professional expenses	25.29	30.87
Postage and telephones	7.64	7.97
Printing and stationery	7.94	8.14
Bank charges	15.26	14.46
Directors' sitting fees	2.08	2.34
Advertisement and sales promotion	1.88	1.31
Exchange fluctuation loss (net)	40.73	1.18
Loss on fair valuation of forward contracts	-	4.94
Miscellaneous expenses	38.73	20.25
Total	**1,025.62**	**895.14**
Note:		
Amount capitalized during the current year:		
Salaries, wages and bonus	14.88	35.29
Stores and components consumed	2.49	18.88
NOTE 31		
PAYMENT TO STATUTORY AUDITORS		
For Audit	7.00	7.00
For Travelling and other Expenses	3.19	-
Total	**10.19**	**7.00**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018

NOTE 32
INCOME TAX

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Statement of profit and loss:

	31 March 2019	31 March 2018
Income Tax		
In respect of the current year	85.00	73.96
	85.00	73.96
Deferred Tax		
In respect of the current year	(85.52)	6.43
In respect of prior years	8.77	-
	(76.75)	6.43
Income tax expense reported in the statement of profit or loss	**8.25**	**80.39**
Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year		
Net (gain)/loss on revaluation of non-current investments	(21.79)	(6.60)
Net (gain)/loss on remeasurements of defined benefit plans	(5.47)	(29.24)
Income tax charged to OCI	**(27.26)**	**(35.84)**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2019 and 31 March 2018:

	31 March 2019	31 March 2018
Accounting profit before tax (a)	551.46	360.08
Income Tax Rate (b)	27.82%	26.00%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	153.42	93.62
Adjustments		
On account of dividend income	(89.78)	(85.35)
On account of non-taxable agricultural operations	(18.90)	36.82
Items taxable at lower rate	(62.37)	-
Tax for items of other comprehensive income	27.26	-
On account of other items	(1.38)	35.30
Income tax expense reported in the statement of profit and loss	**8.25**	**80.39**

Given that the Company does not have any intention to dispose investments in associates and joint venture in the forseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised. Similarly, the Company does not have any intention to dispose of its Investment property - free hold land in the forseeable future, therefore, deferred tax asset on indexation benefit in relation to these assets has not been recognised.

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 33		
EARNINGS PER SHARE		
Profit after Taxation in INR lakhs	543.21	279.69
Weighted average number of Equity Shares outstanding at end of year	6,27,350	6,27,350
Earnings per share (Basic and Diluted) in Rs.	86.59	44.58

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

NOTE 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 2019	31 March 2018
Revenue by Geographical Segment		
India	965.15	1,130.50
Rest of the World	2,484.51	1,736.18
Total Revenue from Sale of Products	**3,449.66**	**2,866.68**
Trade Receivables		
India	48.82	56.03
Rest of the World	126.89	213.44
Total Receivables	**175.71**	**269.47**

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

	31 March 2019	31 March 2018
NOTE 35		
EMPLOYEE BENEFITS		
(a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries) :		
Provident fund	96.80	98.07
Superannuation	2.05	6.20

(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, 2019:-

	31 March 2019	31 March 2018
(i) Amount to be recognized in Balance Sheet and movement in net liability		
Present Value of Funded Obligations	613.48	653.39
Fair Value of Plan Assets	463.64	473.11
Net (asset) / Liability - Current	**149.84**	**180.28**
(ii) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	43.52	41.56
Interest on Net Defined Benefit Liability	10.78	1.76
Total	**54.30**	**43.32**
(iii) Amount recorded in Other Comprehensive Income		
Actuarial (gain)/loss on Plan Obligations	(19.13)	149.48
Return on plan assets excluding net interest	(0.53)	(3.27)
Total	**(19.66)**	**146.21**
(iv) Reconciliation of Net Liability/ Asset		
Opening Net Benefit Liability	180.28	60.65
Expense charged to profit and loss	54.30	43.32
Amount recognized outside profit and loss (in OCI)	(19.66)	146.21
Employer Contribution	(65.08)	(69.90)
Closing Net Defined Benefit Liability/ (Asset) - Current	**149.84**	**180.28**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 35		
EMPLOYEE BENEFITS *(contd)*		
(v) Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	653.39	462.83
Interest Cost	43.75	30.59
Current Service Cost	43.52	41.56
Past Service Cost	-	-
Interest on defined benefit obligation	-	-
Benefits paid	(108.05)	(31.07)
Actuarial Losses / (Gain) on obligation	(19.13)	149.48
Closing Defined Benefit Obligation	**613.48**	**653.39**
(vi) Reconciliation of Fair Value of Plan Assets		
Opening Fair Value of Plan Assets	473.11	402.17
Return on plan assets	0.53	3.27
Contributions made	65.08	69.90
Benefits Paid	(108.05)	(31.07)
Interest Income	32.97	28.84
Closing Fair Value of Plan Assets	**463.64**	**473.11**
(vii) Description of Plan Assets		
Funds managed by Insurer	100%	100%
Grand Total	**100%**	**100%**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018

NOTE 35
EMPLOYEE BENEFITS *(contd)*

(viii) Actuarial Assumptions

Discount rate (p.a)	7.47%	7.30%
Salary Escalation Rate (p.a.)	5.00%	5.00%
Attrition Rate (p.a)	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

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

(ix) **Expected Benefit Payments in Following Years (mid - year cash flows)**	**31-Mar-19**
Year 1	113.09
Year 2	67.68
Year 3	57.40
Year 4	60.46
Year 5	57.79
Next 5 Years	263.83
Average Duration of Defined Benefit Obligations	10.26 Years

The next year estimated liability is Rs. 46.20 Lakhs

(x) **Effect of Change in Key Assumptions**
Year Ended 31st March 2019

Particulars		
Discount Rate		
Impact of increase in 100 bps on DBO	(580.14)	(625.94)
Impact of decrease in 100 bps on DBO	651.17	684.16
Salary Escalation Rate		
Impact of increase in 100 bps on DBO	650.52	682.12
Impact of decrease in 100 bps on DBO	(580.19)	(625.58)

(xi) **Asset liability comparisions**

Year	**31-Mar-19**	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
PVO at the end of the period	613.48	653.39	462.83	410.56	613.49
Plan assets	463.64	473.11	402.17	395.00	463.65
Surplus/ (deficit)	(149.84)	(180.28)	(60.65)	(15.56)	(149.84)
Experience adjustment on plan assets	0.53	3.27	0.19	1.59	1.59

	31 March 2019	31 March 2018
	All amounts are in INR Lakhs	

NOTE 35

EMPLOYEE BENEFITS *(contd)*

c) Other Long Term Employee Benefits

(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, 2019:-

	31 March 2019	31 March 2018
(ii) Actuarial Assumptions		
Discount rate (p.a.)	7.47%	7.30%
Salary Escalation Rate (p.a.)	5.00%	5.00%
Attrition Rate (p.a)	5.00%	5.00%
(iii) Effect of Change in Key Assumptions Year Ended 31st March 2019		
Particulars		
Discount Rate		
Impact of increase in 100 bps on DBO	(2.05)	(5.12)
Impact of decrease in 100 bps on DBO	2.33	5.22
Salary Escalation Rate		
Impact of increase in 100 bps on DBO	2.33	5.22
Impact of decrease in 100 bps on DBO	(2.05)	(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 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

Key Management Personnel (KMP)

Mr. T M Hari Kumar, Company Secretary & CFO (upto 30 September 2018)
Mr. Deepak G. Prabhu, CFO (w.e.f 1 October 2018)
Mr. S. Lakshmi Narasimhan, Company Secretary (w.e.f 14 February 2019)

Associates & Joint Venture of the company :

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

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

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

B. Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:

All amounts are in INR Lakhs

Sl. No.	Particulars	Directors		Key Management Personnel (KMP)		Associate & Joint Venture of the Company		Entities in which Directors are Interested	
		31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
	Transactions during the year:								
1	Sitting Fees to Chairman	0.66	0.40	-	-	-	-	-	-
2	Sitting Fees to Other Directors	1.42	1.94	-	-	-	-	-	-
3	Professional fees	-	-	-	-	-	3.45	-	-
4	Dividend Received	-	-	-	-	322.40	184.83	0.33	0.17
5	Sale of Goods / Consumables and Ingredients	-	-	-	-	100.80	97.49	0.91	76.05
6	Sale of Fixed Assets	-	-	-	-	-	-	-	15.91
7	Warehousing Charges	-	-	-	-	-	-	1.63	3.59
8	Sale of investment	43.40	-	-	-	-	-	-	-
9	Donations (miscellaneous expenses)	-	-	-	-	-	-	14.50	-
10	Dividend Paid	124.02	82.62	-	-	-	-	-	-
11	Remuneration to Executive Director *	28.17	28.17	-	-	-	-	-	-
12	Remuneration to Key Managerial Personnel *	-	-	41.78	26.37	-	-	-	-

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

Outstanding Balance at the year end

Sl. No.	Particulars	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
1	Trade receivables	-	-	-	-	0.63	7.60	0.95	1.21
2	Investments	-	-	-	-	598.97	598.97	0.83	13.14

All amounts are in INR Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
NOTE 37		
COMMITMENTS AND CONTINGENCIES		
1) On account of Income Tax matters in dispute	4.43	4.43
2) On account of Sales Tax matters in dispute:	12.43	-

3) The retrospective effect from 01-04-14 of the operations and implementations of the Payment of Bonus (Amendment) Act, 2015 has been stayed by Hon. High court of Madras. Considering the same, the Holding Company has not provided for the additional liability.

4) **Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is Rs. Nil (31 March 2018: Rs. 3.61 Lakhs).

NOTE 38
GUARANTEE GIVEN BY THE COMPANY

Bank Guarantees of Rs. Nil (31 March 2018: - Rs. 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 Rs. Nil (31 March 2018: Rs. 86.35 lakhs).

NOTE 39
OTHER REGULATORY MATTERS

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

Particulars	31 March 2019	31 March 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.32	9.61
(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 40
FAIR VALUE MEASUREMENT

Financial Instruments by category

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

Financial assets and liabilities

All amounts are in INR Lakhs

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets:						
Non Current						
Investments*	-	969.86	-	-	271.15	-
Loans	-	-	4.73	-	-	4.96
Other financial assets	-	-	34.52	-	-	34.55
Current						
Investments	1,526.92	-	-	1,602.84	-	-
Trade Receivables	-	-	175.71	-	-	269.47
Cash and Cash Equivalents	-	-	15.19	-	-	164.65
Bank Balances other than Cash & Cash Equivalents	-	-	110.27	-	-	236.60
Loans	-	-	1.28	-	-	1.28
Total	**1,526.92**	**969.86**	**341.70**	**1,602.84**	**271.15**	**711.51**
Financial liabilities:						
Current						
Trade Payables	-	-	134.90	-	-	159.42
Other financial liabilities - Current	-	-	328.60	4.94	-	206.61
Total	**-**	**-**	**463.50**	**4.94**	**-**	**366.03**

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

NOTE 41
Fair value hierarchy

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

Financial assets and liabilities measured at fair value-recurring fair value measurements as at March 31, 2019:

	Notes	Level 1	Level 2	Level 3	Total
Financial asset-					
Investment in Shares & Mutual Funds	A.2	1,474.63	52.29	-	1,526.92
Financial liability-					
Forward Cover Contracts - marked to market at the Balance Sheet date	A.2	-	-	-	-

All amounts are in INR Lakhs

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

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, 2019:

	Notes	Level 1	Level 2	Level 3	Total
Non-Current Investments	B.2	-	969.86	-	969.86

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

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.

All amounts are in INR Lakhs

C.1 Investment Property - Land - Cost

Financial assets and liabilities disclosed at fair value-recurring fair value measurements as at March 31, 2019:	Notes	Level 1	Level 2	Level 3	Total
Investment Property - Land	C.1	-	318.41	-	318.41

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
Investment Property - Land	C.1	-	318.41	-	318.41

C.1 Investment property - Land fair value

The company has taken market value guidlines value as suggested by Government of Tamilnadu -Registration of department as displayed on the website for the disclosure of fair valuation of investment property - Land.

D 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].

E. 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 42
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(A) Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

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 2019. 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 2019 and 31 March 2018.

(a) Interest rate risk

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

Sensitivity Analysis of the Interest Rate

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

	Effect on profit before tax in INR lakhs	
	31st March 2019	31st March 2018
100bp increase	-	(0.04)
100bp decrease	-	0.04

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.

NOTE 42
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd....)*

(b) Foreign currency risk

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

Financial Assets	31st March 2019 (Rs. in Lakhs)	31st March 2018 (Rs. in Lakhs)
Trade Receivables - USD	126.89	213.44
Forward Cover Contracts - USD	-	647.53
Net unhedged Exposure - USD	126.89	(434.09)

(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 2019	31st March 2018
USD Exposure in INR	1% -Strengthening	1.27	(4.34)
USD Exposure in INR	1% -Weakening	(1.27)	4.34

(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 Analysis

		Effect on profit before tax in INR lakhs	
		31st March 2019	31st March 2018
Equity price exposure for current investments	1% -Strengthening	15.27	16.03
Equity price exposure for current investments	1% -Weakening	(15.27)	(16.03)

NOTE 42
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd....)*

(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 inventory in place.

(B) Credit risk

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

(a) Trade receivables

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

Excessive risk concentration

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

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

Particulars	31 March 2019	31 March 2018
No of Customers to whom Sales made is more than 10% of the Turnover	2	2
Contribution of Customers in Sales more than 10% of Turnover	49.77%	44.81%

Particulars	31 March 2019	31 March 2018
No of Customers who owed more than 10% of the Total receivables	4	4
Contribution of Customers in owing more than 10% of Total receivables	87.91%	73.72%

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

(b) Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts as mentoned in Notes.

NOTE 42
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd....)*

(C) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to 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 2019	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	110.27	218.33	-	-	-	328.60
Trade and other payables	-	134.90	-	-	-	134.90
Year ended 31 March 2018						
Interest-bearing loans and borrowings	-	-	-	-	-	-
Other financial liabilities	150.24	61.31	-	-	-	211.55
Trade and other payables	-	159.42	-	-	-	159.42

NOTE 43
CAPITAL MANAGEMENT

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

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

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

	31st March 2019 (in Lakhs)	31st March 2018 (in Lakhs)
Fund Based facilities	275.00	375.00

All amounts are in Rs. Lakhs

	31 March 2019	31 March 2018

NOTE 44
DEPOSITS AND ADVANCES IN THE NATURE OF LOANS TO ASSOCIATES / JV

Particulars	Nature	31 - Mar - 19		31 - Mar - 18	
		Maximum Amount outstanding during the year	Balance outstanding	Maximum Amount outstanding during the year	Balance outstanding
AVT Natural Products Limited	Associate	-	-	-	-
Midland Corporate Advisory Services Private Limited	Associate	-	-	-	-
AVT Mccormick Ingredients Private Limited	Joint Venture	-	-	-	-

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

NOTE 45
DIVIDENDS

Dividends paid during the year 2018-19 represent final dividend of 200% declared in the financial year 2017-18 (Rs.151.02 lakhs inclusive of DDT) and interim dividend of 100% declared in the financial year 2018-19 (Rs.75.87 lakhs inclusive of DDT).

The dividends declared by the Company are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of the Company. Subsequent to March 31, 2019, the Board of Directors of Company have proposed a dividend of Rs.20 per share (200%) in respect of financial year 2018-19. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs.151.74 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 : 28.05.2019

For and on behalf of the Board of Directors

Shanthi Thomas
Executive Director
Din : 00567935

Ajit Thomas
Chairman
Din : 00018691

Deepak G. Prabhu
CFO

S. Lakshmi Narasimhan
Company Secretary
Membership No. A35541

CONSOLIDATED STATEMENTS

To the members of Neelamalai Agro Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Neelamalai Agro Industries Limited (hereinafter referred to as the 'Holding Company") and its associates and joint venture, which comprise the consolidated Balance Sheet as at 31 March 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equityand the consolidated cash flow Statement for the year ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on consolidated financial statements and on the other financial information of its associates and joint venture, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding Company, its associates and joint venture as at 31 March 2019, and their consolidated profit, their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Holding Company, its associates and joint venture in accordance with the *Code of Ethics* issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	**Accounting for Government Grants** The company is entitled to apply for and seek support from Tea Board towards Replanting expenditure, Rejuvenation Expenditure and also in respect of Orthodox manufacture. Further, the company is also entitled for Merchandise Exports from India Scheme incentives on exports. There are uncertainties attached to these government grants in respect of the timing and quantum of approvals based on the processing of the applications.	**Principal audit procedures:** • We have evaluated the company's process of determining the point of reasonable certainty in recognition of the grants, for different categories of grants and the robustness with which this process is consistently applied. • Our review also included the estimation process in terms of the grant amounts recorded as receivable and the process of re-evaluating the same at each period end • We also reviewed the disclosures made in the financial statements in terms of the policy and the treatment of the grants in terms of capital grants and revenue grants
2.	**Unobservable or interpolated inputs used for the valuation of certain level 2 investments** Given the ongoing market volatility and macroeconomic uncertainty, investment valuation is an area of inherent risk. The risk is not uniform for all investment types and is greatest for unquoted investments where the investments are hard to value because quoted prices are not readily available. The Company's accounting policies in respect of financial assets are included in the Company's accounting policies while the disclosures are included in Note No. 42 to the financial statements.	**Principal audit procedures:** • We assessed both the methodology and assumptions used by management in the calculation of the year end values of the investments as well as testing the governance controls that the Directors have in place to monitor these processes. • The testing included performing, amongst others, the following procedures: o Evaluating the methodology and assumptions in the valuation models; o Comparing the assumptions used against appropriate benchmarks and enquiring into significant differences; o Wherever available, recent transactions in the unquoted investments are appropriately considered.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
3.	**Revenue recognition:** The associates and joint venture manufactures and sells a number of products and services to its customers. Sales contracts contain various performance obligations and other terms and the determination of when significant performance obligations have been met varies albeit a specific point in time can often be established. The new accounting standard Ind AS 115 has been implemented starting from 1 April 2018. As a consequence, the Company has analysed its various sales contracts and concluded on the principles for determining the point of time for recognition of revenue from the Company's sales transactions. In view of the comprehensive change of the accounting standard applicable for the revenue and the re-evaluation of all contracts in this light, this aspect has been identified for enhanced attention in the audit. Disclosure note 23 and the accounting policies provide additional information on how the Company accounts for its revenue and how the implementation of the standard Ind AS 115 has affected the Company's financial reporting.	**Principal audit procedures:** Our audit included but was not limited to the following activities: **Control testing:** • Mapped and evaluated selected systems and processes for revenue recognition and tested a sample of key controls. **Test of details:** • Evaluated the Company's work to implement Ind AS 115 and assessed whether Company's accounting principles comply with the new accounting standard. • Tested a sample of sales transactions for compliance with the Company's accounting principles. • Performed data analytical procedures to identify and evaluate a sample of manual journal entries. • Traced disclosure information to accounting records and other supporting documentation.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis Reports but does not include the consolidated financial statements and our auditors' report thereon.

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

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

Responsibilities of the Management and Those Charged with Governance for Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Holding Company and of its associates and joint venture are responsible for assessing the ability of the Holding Company and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and of its associates and joint venture are responsible for overseeing the financial reporting process of the Holding Company and of its associates and joint venture.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company, its associate companies and joint venture, which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Holding Company and its associates and joint venture entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them.

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

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

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

Other Matters

The consolidated financial statements include the Holding Company's share of net loss of Rs. 0.79 Lakhs for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have 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 and sub-section (11) of Section 197 of the Act, in so far as it relates to the associate is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and other financial information of associate, as noted in the 'Other matters' paragraph, we report, to the extent applicable, that:

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

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss,the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards 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 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Holding company, its associate companies and joint venture incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company, its associates companies and joint venture incorporated in India 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on consolidated financial statements as also the other financial information of the subsidiaries, associates and jointly venture, as noted in the'Other Matters' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company, its associates and joint venture- Refer Note 38 to the consolidated financial statements.

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - (a) None with respect to the Holding Company and (b) Refer note 43 - the share of net profit in respect of its associates and joint venture.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company,associate companies and joint venture incorporated in India.

2 As required by Section 197(16) of the Act, we report that the remuneration paid by the Holding Company incorporated in India to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197.

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

T V Balasubramanian
Partner
Membership No.027251

Chennai
28.05.2019

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

To the members of Neelamalai Agro Industries Limited

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of Neelamalai Agro Industries Limited

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

In conjunction with our audit of the consolidated financial statements of Neelamalai Agro Industries Limited(hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of the Holding Company",its one associate company and one 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, oneassociate company and one joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Holding 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 ICAI. 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained,is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, one associate company and one joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, one associate company and one joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

T V Balasubramanian
Partner
Membership No.027251

Chennai
28.05.2019

CONSOLIDATED BALANCE SHEET

As at 31 st March 2019

All amounts are in INR Lakhs

Particulars	Note No.	**As at 31st March 2019**	As at 31st March 2018
Assets			
Non-current Assets			
Property, plant and equipment	5	699.37	657.62
Capital work in progress	5	94.97	95.92
Investment property	6	269.82	269.82
Investment accounted for using the equity method	7	11,622.24	10,755.33
Financial assets			
i) Investments	7	969.86	271.15
ii) Loans	8	4.73	4.96
iii) Other financial assets	9	34.52	34.55
Income Tax Assets (net)		20.19	9.79
Deferred Tax Assets (net)	10	8.88	---
Other non-current assets	11	125.23	93.81
Total non-current assets		**13,849.81**	**12,192.95**
Current Assets			
Inventories	12	464.75	416.69
Biological assets other than bearer plants	13	30.62	20.16
Financial assets			
i) Investments	14	1,526.92	1,602.84
ii) Trade receivables	15	175.71	269.47
iii) Cash and cash equivalents	16	15.19	164.65
iv) Bank balances other than cash and cash equivalents	16	110.27	236.60
v) Loans	8	1.28	1.28
Other current assets	11	63.09	45.13
Total current assets		**2,387.83**	**2,756.82**
Total assets		**16,237.64**	**14,949.77**
Equity			
Equity Share Capital	17	62.74	62.74
Other Equity	18	15,540.41	14,286.47
Total equity		**15,603.15**	**14,349.21**
Non-current liabilities			
Provisions	19	2.04	0.49
Deferred tax liabilities (net)	10	---	21.61
Total non-current liabilities		**2.04**	**22.10**
Current Liabilities			
Financial Liabilities			
i) Trade payables	20		
Total outstanding dues of micro and small enterprises		2.32	9.61
Total outstanding dues of creditors other than micro and small enterprises		132.58	149.81
ii) Other financial liabilities	21	328.60	211.55
Other current liabilities	22	18.97	22.53
Provisions	19	149.98	184.96
Total current liabilities		**632.45**	**578.46**
Total liabilities		**634.49**	**600.56**
Total equity and liabilities		**16,237.64**	**14,949.77**

Summary of significant accounting policies 3

See accompanying notes to the consolidated financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 28.05.2019

For and on behalf of the Board of Directors

Shanthi Thomas
Executive Director
Din : 00567935

Ajit Thomas
Chairman
Din : 00018691

Deepak G. Prabhu
CFO

S. Lakshmi Narasimhan
Company Secretary
Membership No. A35541

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year Ended 31st March 2019

All amounts are in INR Lakhs

	Particulars	Note No.	**Year ended 31st March 2019**	Year ended 31st March 2018
I	Revenue From Operations	23	3,659.96	2,970.80
II	Other Income	24	131.80	115.66
III	**Total Income (I+II)**		**3,791.76**	**3,086.46**
IV	**Expenses**			
	Cost of materials consumed	25	910.80	818.13
	Purchases of stock-in-trade	26	0.88	1.15
	Change in inventories	27	(31.25)	(149.20)
	(Gain) / loss on transformation of biological asset		(11.68)	7.88
	Employee benefits expense	28	1,566.90	1,349.72
	Finance costs	29	3.84	3.57
	Depreciation and amortization expense	30	97.60	106.65
	Other expenses	31	1,025.62	895.14
	Total expenses (IV)		**3,562.71**	**3,033.04**
V	**Profit /(loss) before share of net profits of investment accounted for using equity method and tax (III - IV)**		**229.05**	**53.42**
VI	Share of net profits of associates and joint ventures accounted for using equity method		1,168.41	1,232.56
VII	**Profit before tax (V + VI)**		**1,397.46**	**1,285.98**
VIII	TAX EXPENSE	33		
	(1) Current tax (Including MAT credit utilisation CY 19.00 Lakhs : 31 March 2018: 30.41 Lakhs)		85.00	73.96
	(2) Deferred tax		(85.52)	6.43
	(3) Deferred tax adjustment in respect of prior years		8.77	---
IX	**Profit / (loss) for the year**		**1,389.21**	**1,205.59**
X	**Other Comprehesive Income**			
	A. Items that will not be reclassified to profit or loss			
	(i) Changes in fair value of FVOCI investments		78.31	(31.75)
	(ii) Remeasurement of the post-employement benefit obligations		19.66	(146.21)
	(iii) Share of other compreshensive income of associates and joint ventures accounted for using the equity method		(23.82)	0.71
	(iv) Income tax relating to items that will not be reclassified to profit or loss		(27.26)	35.84
	B. Items that will be reclassified to profit or loss			
	(i) Share of other compreshensive income of associates and joint ventures accounted for using the equity method (net of tax)		44.73	(146.67)
	Other comprehensive Income for the year, net of tax		**91.62**	**(288.08)**
XI	**Total Comprehensive Income for the year (IX + X)**		**1,480.83**	**917.51**
XII	**Earnings per Equity Share (Face Value of Rs. 10/- each)**			
	(1) Basic	33	**221.44**	**192.17**
	(2) Diluted	33	**221.44**	**192.17**

Summary of significant accounting policies 3

See accompanying notes to the consolidated financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 28.05.2019

For and on behalf of the Board of Directors

Shanthi Thomas
Executive Director
Din : 00567935

Ajit Thomas
Chairman
Din : 00018691

Deepak G. Prabhu
CFO

S. Lakshmi Narasimhan
Company Secretary
Membership No. A35541

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March 2019

All amounts are in INR Lakhs unless otherwise stated

	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,397.46	1,285.98
Adjustments for:		
Depreciation and amortisation	97.60	106.65
(Profit) / Loss on sale of investments	(20.12)	(6.29)
(Profit) / Loss on sale of assets	(4.21)	(3.12)
Share of net profit of associates and joint ventures accounted for using equity method	(1,168.41)	(1,232.56)
Provision for Gratuity	(50.10)	180.28
Provision for Leave Encashment	(2.99)	5.17
Fair value gains recognised on investments	(78.20)	(77.57)
Fair value changes to Biological assets	(10.46)	7.88
Interest Income	(6.17)	(6.69)
Dividend Received	(19.96)	(21.61)
Finance costs	3.84	3.57
Unrealised net foreign exchange difference	(0.65)	-
Operating profit before working capital changes	**137.63**	**241.69**
Adjustments for working capital changes		
(Increase) / Decrease in Inventories	(48.06)	(134.63)
(Increase) / Decrease in Loans	0.23	(1.43)
(Increase) / Decrease in Other Current Assets	(17.96)	(1.58)
(Increase) / Decrease in Other Non-Current Assets	(31.42)	(57.97)
(Increase) / Decrease in Other Non-Current Financial Assets	0.03	2.33
(Increase) / Decrease in Trade and other Receivables	94.41	(147.03)
Increase / (Decrease) in Other Financial Liabilities	117.05	2.15
Increase / (Decrease) in Other Liabilities	(3.56)	15.46
Increase / (Decrease) in Trade payables	(24.52)	(21.52)
Increase / (Decrease) in Provisions	39.33	(215.51)
	263.16	**(318.04)**
Net income tax paid (net)	(76.41)	(12.56)
Net cash (used) / generated in operating activities (A)	**186.75**	**(330.60)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment	(166.05)	(141.05)
Proceeds from disposal of property, plant & equipment	31.86	17.08
Interest received during the year	6.17	6.69
Dividend received on investment in associates and joint ventures	322.40	306.65
Dividend received on other non-current investment	0.33	-
Dividend received on investment	19.64	21.61
Purchase of non-current investments	(839.95)	-
Sale of non-current investments	164.32	-
Investment in Shares & Mutual Funds (Net)	229.47	409.87
Proceeds from bank balances not considered as cash and cash equivalents	126.33	1.81
Net cash generated / (used in) from investing activities (B)	**(105.48)**	**622.66**

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March 2019

All amounts are in INR Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
C. CASH FLOW FROM FINANCING ACTIVITIES*		
Interest Paid	(3.84)	(3.57)
Dividend Paid including Dividend Distribution Tax	(226.89)	(151.01)
Net cash generated / (used in) from financing activities (C)	**(230.73)**	**(154.58)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(149.46)**	**137.48**
Cash and cash equivalents at the beginning of the year	164.65	27.17
Cash and cash equivalents at the end of the year	**15.19**	**164.65**
Components of cash and cash equivalents:		
Cash and bank balances (Refer note no. 16)	15.19	164.65
	15.19	**164.65**

* Refer foot note for Net Debt Reconciliation.

Notes:

1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flows.

2 The figures in brackets represent cash outflow.

See accompanying notes to the consolidated financial statements

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 28.05.2019

For and on behalf of the Board of Directors

Shanthi Thomas
Executive Director
Din : 00567935

Ajit Thomas
Chairman
Din : 00018691

Deepak G. Prabhu
CFO

S. Lakshmi Narasimhan
Company Secretary
Membership No. A35541

CONSOLIDATED STATEMENT OF NET DEBT RECONCILIATION

For the year ended 31st March 2019

All amounts are in INR Lakhs

***Net debt reconciliation**

Particulars	31-Mar-19	31-Mar-18
Net debt		
Cash and cash equivalents	15.19	164.65
Current Investment	1,526.92	1,602.84
Current Borrowings	-	-
Net (debt)/ Cash & Cash Equivalents	**1,542.11**	**1,767.49**

	Accrued during the Year		Paid during the Year	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Finance Cost				
Interest on Short term borrowings	3.84	3.57	3.84	3.57
Total	**3.84**	**3.57**	**3.84**	**3.57**

	Other Assets		Borrowings	
	Cash and cash equivalents	Current Investments	Short Term Borrowings	Total Net borrowings
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**
Cash Flows	(149.46)	(154.12)	-	(303.58)
Unrealised fair value gains on current investments	-	78.20	-	78.20
Interest expense	-	-	(3.84)	(3.84)
Interest paid	-	-	3.84	3.84
(Net debt)/ Cash & Cash Equivalents as at 31 March 2019	**15.19**	**1,526.92**	-	**1,542.11**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Period ended 31st March 2019

All amounts are in INR Lakhs

A. Equity Share Capital

	Amount
Balance as at 1st April 2017	**62.74**
Changes in equity share capital during the year	-
Balance as at 1st April 2018	62.74
Changes in equity share capital during the year	-
Balance as at 31st March 2019	**62.74**

B. Other Equity

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 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 profits 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 / JV, net of tax	-	-	-	0.71	-	(97.94)	(48.74)	(145.97)
Dividend & Tax Paid on Dividend	-	-	-	(151.01)	-	-	-	(151.01)
Reclassification from OCI to retained earnings	-	-	-	-	-	-	-	-
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
Profit for the year	-	-	-	220.80	-	-	-	220.80
Share of net profits of associates and joint ventures accounted for using equity method	-	-	-	1,168.41	-	-	-	1,168.41
Other comprehensive income for the year	-	-	-	14.19	56.52	-	-	70.71
Share of Other comprehensive income of associates / JV, net of tax	-	-	-	(23.82)	-	43.08	1.66	20.92
Dividend & Tax Paid on Dividend	-	-	-	(226.89)	-	-	-	(226.89)
Reclassification from OCI to retained earnings	-	-	-	37.85	(37.85)	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-
Balance as at 31st March 2019	27.27	0.14	8,625.24	6,848.17	(3.34)	35.56	7.39	15,540.41

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

As per our Report of even date attached

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

T. V. Balasubramanian
Partner
Membership No. 027251

Place : Chennai
Date : 28.05.2019

For and on behalf of the Board of Directors

Shanthi Thomas
Executive Director
Din : 00567935

Ajit Thomas
Chairman
Din : 00018691

Deepak G. Prabhu
CFO

S. Lakshmi Narasimhan
Company Secretary
Membership No. A35541

NOTES

1. GENERAL INFORMATION

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

The Holding Company is listed on the BSE Limited.

This Consolidated Financial Statement the results of 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

The consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 28, 2019.

2. Basis of Preparation

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

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

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

2.1 Critical judgements & Estimates in applying accounting policies

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

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

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

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

- **Taxation:**

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

NOTES (*contd.*)

- **Defined benefit plans:**

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

- **Provisions & Contingencies:**

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

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

- **Fair Value of financial instruments:**

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

2.2 New standards notified and adopted by the Holding Company, associates and joint venture:

The Holding Company, associates and joint venture has applied the following standards and amendments for the first time for their annual reporting period commencing from 1 April 2018 :

- Ind AS 115, revenue from contracts with customers
- Amendments to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance
- Appendix B, Foreign Currency Transactions and Advance consideration to Ind AS 21, The effect of changes in Foreign Exchange Rates
- Amendments to Ind AS 12, Income Taxes
- Amendments to Ind AS 40, Investment property
- Amendments to Ind AS 28, Investments in Associates and Joint Ventures and Ind AS 112 disclosure of Interests in Other Entities

The Holding Company, associates and joint venture had changed its accounting policies following adoption of Ind AS 115. However, it did not have any significant impact on the financials as reported by the Holding Company, associates and joint venture. None of the other amendments had any effect on the Holding Company, associates and joint ventures' financial statements.

2.3 Accounting standards notified but effective at a later date

(i) New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items.

Lessor accounting remains similar to the current standard.

The Holding Company, associates and joint venture have reviewed the key commercial arrangements which may be impacted by this standard and has determined that the application of Ind AS 116 may not have a material impact on the results or the financial position.

NOTES (*contd.*)

(ii) Other Amendments

A number of other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

(i) business combination accounting in case of obtaining control of a joint operation;

(ii) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;

(iii) income tax consequences in case of dividends;

(iv) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;

(v) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;

(vi) accounting for prepayment features with negative compensation in case of debt instruments;

(vii) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;

(viii) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

None of these amendments are expected to have any material effect on the Holding Company, associates and joint ventures' financial statements.

2.4 Functional and Presentation Currency

Items included in consolidated financial statements of the Holding Company, associates and joint venture are measured using the currency of the primary economic environment in which the Holding Company, associates and joint venture operates ("the functional currency"). Indian rupee is the functional currency of the Holding Company, associates and joint venture.

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

Principles of equity accounting

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

3 Summary of significant accounting policies

3.1 Property, plant and equipment:

a. Recognition and Measurement

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

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

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

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

Subsequent costs

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

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

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

b. **Depreciation:**

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

Useful life adopted based on technical evaluation are as under:

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

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

3.2 Impairment of non-financial assets

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

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

Recoverable amount is the higher of fair value less cost 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.

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

3.3 Inventories

Inventories are valued as under:

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

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

b. **Work in Progress:**

At cost or net realizable value, whichever is lower. Cost is determined on weighted average basis.

NOTES (*contd.*)

c. Stock - in - trade and Finished Goods

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

Cost includes direct material cost, direct labour cost, taxes and duties other than duties and taxes for which credit is available, freight, other direct expenses and an appropriate proportion of variable and fixed overhead expenditure.

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

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

3.4 Employee benefits - Retirement benefit costs and termination benefits

3.4.1 Defined Contribution Plans

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

3.4.2 Defined Benefit Plans

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

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit cost are categorised as follows:

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

The Holding Company, associates and joint venture presents the first two components of defined benefit cost in profit or loss in the line item ‘employee benefit expense’. Curtailment gains or losses are accounted for as past service cost.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Holding Company, associates and joint ventures’ defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.4.3 Compensated Absences

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

3.4.4 Short term benefits

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

NOTES (*contd.*)

3.5 Financial Instruments

3.5.1 Financial Assets

a) **Initial Recognition and Measurement**

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

b) **Subsequent Measurement**

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

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

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

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

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

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

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

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

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

e) **Derecognition of Financial Assets**

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

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

NOTES (*contd.*)

II. Financial Liabilities

a) Initial Recognition and Measurement

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

b) 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) Derivative financial instruments and Hedge Accounting

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

d) Hedge accounting

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

e) 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.

f) 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.

g) 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.

3.6 Foreign currency

Initial Recognition

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

Subsequent Recognition

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

Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are converted at the year-end exchange rates and the resultant loss or gain, is recognised as income or expense in the statement of the profit and loss.

NOTES (*contd.*)

3.7 Fair value measurement

The Holding Company, associates and joint venture measures financial instruments, such as, derivatives at fair value at each balance sheet date on a portfolio basis.

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

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

The principal or the most advantageous market must be accessible by the Holding Company, associates and joint venture.

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

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

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

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

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

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

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

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

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

3.8 Revenue recognition:

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

Sale of Goods and services:

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

Subsidies and export incentives:

Subsidy for production of orthodox teas and Subsidy under 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.

NOTES (*contd.*)

3.9 Finance Income and expense

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

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

3.10 Borrowing costs:

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

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

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

3.11 Leases :

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Holding Company, associates and joint venture has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Holding Company, associates and joint venture as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Holding Company, associates and joint venture is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Holding Company, associates and joint ventures' general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Holding Company, associates and joint venture will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

3.12 Governments grants

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

Please refer note 4 for details of change in accounting policy for the government grant related to property, plant and equipment.

3.13 Taxation

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

NOTES (*contd.*)

(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 Holding Company, associates and joint venture intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax

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

3.14 Earnings per share

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

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

3.15 Provisions & contingent liability:

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

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

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

NOTES (*contd.*)

3.16 Cash flow statement:

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

3.17 Dividends:

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

3.18 Segment Reporting:

The Holding Company, associates and joint ventureidentifies operating segments based on the internal reporting provided to the chief operating decision-maker.

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Holding Company, associates and joint venture. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. The Holding Companyoperates in a single segment namely cultivation, manufacturing and marketing of tea and geographically operates primarily in a single segment.

3.19 Biological assets and other bearer plants

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

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

3.20 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.

4 Change in accounting policies

The Companies (Indian Accounting Standards) second amendment rules, 2018 has, during the current year, amended IND - AS 20 "Accounting for Government Grants and Disclosure of Government Assistance", which gives the option of presentation of amount of Government Grants related to asset, including non-monetary grants at fair value in the balance sheet either by setting up the amount of grant as deferred income or deducting the amount of grant in arriving at the carrying amount of the assets.

The Holding Company, associates and joint venture till the previous year was presenting the amount of government grants related to replanting subsidy by setting up the deferred income. The Holding Company, associates and joint venture has, during the current year, changed the accounting policy choice and deducted the net replanting subsidy amount in arriving at the carrying amount of assets. However, there is no impact on the consolidated financial statements of the Holding Company, associates and joint venture due to the above change in accounting policy. The Holding Company, associates and joint venture have regrouped the figures of previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2019

NOTE : 5

Property, Plant and Equipment

(All amounts are in INR Lakhs)

	Freehold land and development	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Capital work in - Progress - Bearer Plants	Capital work in - Progress - Others
Cost								
At 1 April 2017	266.71	156.28	128.99	12.31	229.69	**793.98**	**38.42**	**1.51**
Additions/Transfers	-	2.76	38.90	0.15	36.15	77.96	54.17	3.33
Disposals/ Transfers	-	-	-	-	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**
Additions/Transfers	-	10.63	15.43	9.05	106.97	142.08	17.38	-
Subsidy received from government	-	-	-	-	-	-	(15.00)	-
Disposals/ Transfers	-	-	0.48	-	34.63	35.11	-	3.33
At 31 March 2019	**266.71**	**169.67**	**182.84**	**21.51**	**318.27**	**959.00**	**94.97**	-
Depreciation and impairment								
At 1 April 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**	-	-
Depreciation charge for the year	-	13.74	30.92	2.66	50.28	97.60	-	-
Disposals	-	-	0.46	-	31.92	32.38	-	-
At 31 March 2019	-	**46.66**	**92.73**	**8.27**	**111.97**	**259.63**	-	-
Net Block								
at 1 April 2018	266.71	126.12	105.62	6.85	152.32	657.62	92.59	3.33
at 31 March 2019	266.71	123.01	90.11	13.24	206.30	699.37	94.97	-

Note: The Holding 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	Capital work in - Progress - Bearer Plants	Capital work in - Progress - 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

	31 March 2019	31 March 2018
NOTE 6		
INVESTMENT PROPERTY - LAND		
At 1 April 2017	**269.82**	**269.82**
Additions -	-	
Disposals -	-	
At 31 March 2018	**269.82**	**269.82**
Additions -	-	
Disposals -	-	
Closing balance	**269.82**	**269.82**
Depreciation and impairment		
At 1 April 2017	-	-
Depreciation for the current period	-	-
At 31 March 2018	-	-
Depreciation for the current period		
Net Investment Property	**269.82**	**269.82**
Fair Value of the Investment property	318.41	318.41

Information regarding income and expenditure of Investment property

Particulars	31 March 2019	31 March 2018
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

		31 March 2019	31 March 2018
NOTE 7			
NON CURRENT INVESTMENTS			
Investment in equity shares of associate / joint venture companies at Cost	Nature		
Associate companies			
Quoted:			
AVT Natural Products Limited - 6,09,13,600 shares (As at 31 March 2018- 6,09,13,600 shares)	Associate	9,408.24	8,877.41
Unquoted:			
Midland Corporate Advisory Services Pvt. Ltd - 2,50,000 shares (As at 31 March 2018 - 2,50,000 shares)	Associate	7.84	8.63
Joint Venture:			
Unquoted:			
AVT McCormick Ingredients Private Limited - 31,50,000 shares (As at 31 March 2018- 31,50,000 shares)	Joint Venture	2,206.16	1,869.29
Less: Provision for diminution in value of investments		-	-
Sub Total		**11,622.24**	**10,755.33**
Investments at fair value through Other Comprehensive Income			
Investment in Equity Shares			
Unquoted:			
Grover Zampa Vineyards Ltd - 11,99,232 shares (As at 31 March 2018 - Nil shares)		824.95	-
Mohan Meakin Ltd - 2,000 shares (As at 31 March 2018 - Nil shares)		15.00	-
L.J.International Limited - 64 shares (As at 31 March 2018 - 64 shares)		0.21	0.21
A.V. Thomas & Company Limited - Nil shares (As at 31 March 2018 - 100 shares)		-	4.66
The Nelliampathy Tea & Produce Company Limited - 155 shares (As at 31 March 2018 - 515 shares)		0.62	2.06
The Midland Rubber & Produce Company Limited - Nil shares (As at 31 March 2018 - 157 shares)		-	6.21
Verna Global Holding Limited - 8543 shares (Face Value - GBP 0.01 per share) (As at 31 March 2018 - 8,543 shares)		128.02	124.68
Varna Design Private Limited - 70 shares (As at 31 March 2018 - Nil shares)		1.06	-
Investment in Preference Shares(unquoted)			
Vogo Automotive Services Private Limited - Nil shares (Face Value-1000 per share) (As at 31 March 2018 - 5,559 shares)		-	133.33
Sub Total		**969.86**	**271.15**
Grand Total Investments		**12,592.10**	**11,026.48**
Aggregate book value of quoted investments		**9,408.24**	**8,877.41**
Aggregate market value of quoted investments		**16,233.47**	**21,928.90**
Aggregate value of unquoted investments		**3,183.86**	**2,149.07**
Aggregate amount of impairment in the value of investments		**-**	**-**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 8		
LOANS		
Loans		
(Unsecured, considered good)		
Non Current at amortized cost		
Loans to employees	4.73	4.96
Less : Allowances for Credit Impaired - Loans to Employees	-	-
Total	**4.73**	**4.96**
Current at amortized cost		
Loans to employees	1.28	1.28
Less : Allowances for Credit Impaired - Loans to Employees	-	-
Total	**1.28**	**1.28**
NOTE 9		
OTHER FINANCIAL ASSETS		
(Unsecured, considered good)		
A) Non Current		
Deposits with Public Bodies	15.95	15.32
Deposits with Others	17.71	18.37
Term deposit with bank maturing after 12 months from the Balance Sheet date (Refer Note 16)	0.86	0.86
Total	34.52	34.55
NOTE 10		
DEFERRED TAX LIABILITY / ASSETS (NET)		
Components of Deferred tax		
Deferred Tax Asset / (Liability)		
On account of depreciation	33.21	27.76
On account of Fair valuation of current investments	(53.71)	(128.17)
On account of Fair valuation of non current investments	(16.16)	5.49
Sub Total	(36.66)	(94.92)
MAT Credit Entitlement		
Opening balance	73.31	103.72
Less: Utilization during the year	19.00	30.41
Less: Adjustment in respect of prior years	8.77	-
Net MAT Credit Entitlement	45.54	73.31
Net deferred tax assets/(liabilities)	8.88	(21.61)

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 11		
OTHER NON CURRENT ASSETS		
(Unsecured, considered good unless stated otherwise)		
A) Non Current		
Capital Advance	2.22	7.60
Export incentive & Government Subsidy receivable	123.01	86.21
	125.23	**93.81**
B) Current		
Export incentive receivable	18.63	-
Advance to suppliers	16.55	30.88
GST Input Receivable	27.91	14.25
Total	**63.09**	**45.13**
NOTE 12		
INVENTORIES		
Raw materials	3.51	2.30
Finished goods	403.07	371.82
Stores, Spares and Packing Materials	59.25	43.85
Less: Provision for Slow Moving/Non Moving Inventories	1.08	1.28
Total inventories at the lower of cost or net realisable value	**464.75**	**416.69**
i) Provision for Slow Moving/Non Moving Inventories		
Opening Balance	1.28	1.79
Add: Provision during the year	-	-
Less: Reversal of provision no longer required	0.20	0.51
Closing Balance	**1.08**	**1.28**

NOTE 13
BIOLOGICAL ASSETS

	Tea Leaves
Balance as at 1st April 2017	28.04
Change in fair value due to biological transformation	(7.88)
Balance as at 1st April 2018	**20.16**
Change in fair value due to biological transformation	10.46
Balance as at 31st March 2019	30.62

NOTE 14
INVESTMENTS

	No. of scrips / Units held		Amount in INR Lakhs	
	31-Mar-19	31-Mar-18	**31-Mar-19**	31-Mar-18
Current Investments				
Investments at fair value through Profit & Loss				
Quoted Equity Shares (Valued at market rate per share)				
Tata Consultancy Services Limited	4,864	2,432	97.36	69.29
IL & FS Transportation Networks Limited	-	1,000	-	0.60
Engineers India Limited	-	1,360	-	2.15
Nesco Limited	550	550	2.65	3.03
Infosys Limited	460	230	3.42	2.60
NMDC Limited	-	570	-	0.68
BSE Limited	7,442	7,442	45.48	56.28
Tata Sponge Iron Limited	75	75	0.57	0.69
Lakshmi Machines Limited	26	26	1.58	1.80
Ambika Cotton Mills Limited	130	130	1.46	1.68
Hero Motocorp Limited	38	38	0.97	1.35
IDFC Limited	17,840	17,840	8.30	8.70
IDFC First Bank	8,120	8,120	4.51	3.84
Sriram Transport Finance Limited	670	670	8.56	9.65
Tata Motors Limited	-	300	-	0.98
TVS Srichakra Limited	17	17	0.37	0.55
Sriram City Union Finance Limited	83	83	1.54	1.77
Gulf Oil Lubricants India Limited	185	185	1.56	1.69
ICICI Lombard General Insurance Company Limited	-	2,000	-	15.88
UnQuoted Equity Shares*				
Catholic Syrian Bank Limited	8,065	8,065	15.49	14.11
Tamilnad Mercantile Bank Limited	8,000	8,000	36.80	34.00
Mutual Funds (Valued at NAV)				
ICICI Prudential Short Term Growth	20,90,633	20,90,633	807.42	756.70
ICICI Prudential Equity Arbitrage Fund	1,72,081	1,63,197	23.44	22.26
IDFC Arbitrage Fund	14,93,318	14,23,925	190.19	180.25
Kotak Equity Arbitrage Fund	8,93,787	8,49,151	95.71	90.79
ICICI Prudential Flexible Income Regular Plan - Growth	38,620	35,653	138.49	118.77
IDFC Ultra Short Term Fund- Growth	-	6,81,144	-	167.64
Reliance Liquid BeES	4,105	3,511	41.05	35.11
Total			**1,526.92**	**1,602.84**
Aggregate book value of quoted investments			178.33	183.21
Aggregate market value of quoted investments			178.33	183.21
Aggregate value of unquoted investments			1,348.59	1,419.63
Aggregate amount of impairment in the value of investments			-	-

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

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 15		
TRADE RECEIVABLES		
Non Current		
(Unsecured)		
Considered good*	175.71	269.47
Considered doubtful	-	-
	175.71	**269.47**
Less : Provision for doubtful debts	-	-
Total	**175.71**	**269.47**
* Includes dues from companies where directors are interested	0.95	1.21
* Includes dues from associate	0.63	7.60
For Related Party balance - Refer Note 37		

	31 March 2019	31 March 2018
NOTE 16		
CASH AND CASH EQUIVALENTS		
Cash on hand	1.37	0.21
Balances with bank in current account	13.82	164.44
Cash and cash equivalents as per balance sheet	**15.19**	**164.65**
Bank balances other than cash and cash equivalents:		
Balances with banks:		
In deposit accounts as margin money for Bank Guarantees*	-	86.35
In deposit account with original maturity more than three months	0.86	0.86
Earmarked Balances (unclaimed/unpaid dividend deposit accounts)	110.27	150.25
Bank balance	**111.13**	**237.46**
Less : Term deposit with bank maturing after 12 months from the Balance Sheet date and other earmarked / margin money / pledged deposits classified as non-current (Refer Note 9)	0.86	0.86
Net Bank balances other than cash and cash equivalents	**110.27**	**236.60**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 17		
SHARE CAPITAL		
A. Authorised Share Capital		
Number of Ordinary (Equity) Shares	9,00,000	9,00,000
Face Value per Ordinary (Equity) share	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	**90.00**	**90.00**
Number of 5% Preference Shares	3,50,000	3,50,000
Face Value per 5% Preference share	10.00	10.00
5% Preference Share Capital in INR lakhs	**35.00**	**35.00**
B. Issued, Subscribed & Paid Up Share Capital		
Number of Ordinary (Equity) Shares	6,27,350	6,27,350
Face Value per Ordinary (Equity) share	10.00	10.00
Ordinary (Equity) Share Capital in INR Lakhs	**62.74**	**62.74**

C. Terms/ rights attached to Equity Shares

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

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

	As at 31.03.2019		As at 31.03.2018	
	Number of shares held	Amount	Number of shares held	Amount
Balance as at 1 April 2017	6,27,350	62.74	6,27,350	62.74
Movement during the year	-	-	-	-
Balance as at 31 March 2018	**6,27,350**	**62.74**	**6,27,350**	**62.74**
Movement during the year	-	-	-	-
Balance as at 31 March 2019	**6,27,350**	**62.74**	**6,27,350**	**62.74**

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

	As at 31.03.2019		As at 31.03.2018	
Name of the Share holder	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Mr. Ajit Thomas	4,14,468	66.07%	4,14,338	66.05%

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

For the year ended 31st March 2019

NOTE 18
OTHER EQUITY

All amounts are in INR Lakhs

Name of the Reserve	Reserves & 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	
As At 1 April 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 profits of associates and joint ventures 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 / JV, net of tax	-	-	-	0.71	-	(97.94)	(48.74)	(145.97)
Dividend & Tax Paid on Dividend	-	-	-	(151.01)	-	-	-	(151.01)
Reclassification from OCI to retained earnings	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-
As At 1 April 2018	**27.27**	**0.14**	**8,625.24**	**5,657.62**	**(22.01)**	**(7.52)**	**5.73**	**14,286.47**
Profit for the year	-	-	-	220.80	-	-	-	220.80
Share of net profits of associates and joint ventures accounted for using equity method	-	-	-	1,168.41	-	-	-	1,168.41
Other Comprehensive income for the year, net of Income tax	-	-	-	14.19	56.52	-	-	70.71
Share of Other comprehensive income of associates / JV, net of tax	-	-	-	(23.82)	-	43.08	1.66	20.91
Dividend & Tax Paid on Dividend	-	-	-	(226.89)	-	-	-	(226.89)
Reclassification from OCI to retained earnings	-	-	-	37.85	(37.85)	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-
As At 31 March 2019	**27.27**	**0.14**	**8,625.24**	**6,848.16**	**(3.34)**	**35.56**	**7.39**	**15,540.41**

Nature and Purpose of other reserves

1 **Capital redemption reserve** - Capital redemption reserve was created for buy-back of shares and can be utilised for issuance of fully paid up bonus shares.

2 **Capital Reserve** - Reserve of capital nature taken to this head under the erstwhile GAAP.

3 **General reserve** - General reserve is created out of the profits earned by the Holding Company by way of transfer from surplus in the statement of profit and loss. The Holding Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares

4 **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

5 **Equity instruments through Other Comprehensive Income:** The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in Equity instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are not reclassified to .Statement of Profit and Loss.

6 **Cash flow Hedging Reserve:** The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 19		
PROVISIONS		
Non Current		
Provision for Compensated absences*	2.04	0.49
Total	**2.04**	**0.49**
Current		
Provision for Gratuity (funded)*	149.84	180.28
Provision for Compensated absences*	0.14	4.68
Total	**149.98**	**184.96**

*Refer Note 36 for details

NOTE 20
TRADE PAYABLES

Due to Micro and Small Enterprises *	2.32	9.61
Due to other than Micro and Small Enterprises	132.58	149.81
Total trade payables	**134.90**	**159.42**

Note:

* 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. Refer Note 40 for further details

NOTE 21
OTHER FINANCIAL LIABILITIES

Particulars		
Other financial liabilities		
Unclaimed dividend	110.27	148.00
Unpaid Preference Share Capital	-	2.24
Forward Cover Contracts	-	4.94
Employee related liabilities	218.33	56.37
Total	**328.60**	**211.55**

NOTE 22
OTHER CURRENT LIABILITIES

Particulars		
Current		
Statutory liabilities	18.97	22.53
Total	**18.97**	**22.53**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 23		
REVENUE FROM OPERATIONS		
Sale of products		
Tea	3,320.82	2,764.26
Tea Waste	128.84	102.42
Total Sale of Products (A)	**3,449.66**	**2,866.68**
Other Operating Revenue		
Tea subsidy	83.37	30.97
Timber	25.01	-
Export subsidies & other incentives	98.26	61.13
Duty drawback	3.66	12.02
Total Other Operating Revenue (B)	**210.30**	**104.12**
Total revenue from operations	**3,659.96**	**2,970.80**
Disaggregation of sale of products by geography		
India	965.15	1,130.50
Rest of the world	2,484.51	1,736.18
	3,449.66	**2,866.68**
NOTE 24		
OTHER INCOME		
Income from Investments:		
Non Current measured at fair value through Other Comprehensive Income	0.32	0.16
Current at fair value through Profit and Loss	19.64	21.45
Interest	6.17	6.69
Gain on fair value of investments measured at fair value through Profit and Loss	78.20	77.57
Profit on sale of investments at fair value through Profit and Loss	20.12	6.29
Profit on Sale of property, plant and equipment	4.21	3.12
Miscellaneous	3.14	0.38
Total	**131.80**	**115.66**
NOTE 25		
COST OF MATERIAL CONSUMED		
Raw material and components consumed	910.80	818.13
Total	**910.80**	**818.13**
NOTE 26		
PURCHASE OF STOCK - IN - TRADE		
Inventory at the beginning of the year	-	-
Add: Purchases	0.88	1.15
Less: inventory at the end of the year	-	-
Total	**0.88**	**1.15**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 27		
CHANGE IN INVENTORY		
Inventory at the beginning of the year	371.82	222.62
Less: inventory at the end of the year	403.07	371.82
Net (Increase)/Decrease	**(31.25)**	**(149.20)**
NOTE 28		
EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	1,329.17	1,151.05
Contribution to provident and other funds	189.48	151.19
Staff welfare expenses	48.25	47.48
Total	**1,566.90**	**1,349.72**
Refer to Note 36 for details on employee benefit		
The above includes		
- Net incremental gratuity provision of	(30.44)	119.63
- Net incremental leave salary provision of	(2.99)	(3.48)
NOTE 29		
FINANCE COSTS		
Interest on debts and borrowings at effective interest rate on borrowings	3.84	3.57
Total	**3.84**	**3.57**
NOTE 30		
DEPRECIATION EXPENSES		
Depreciation of tangible assets	97.60	106.65
Total	**97.60**	**106.65**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 31		
OTHER EXPENSES		
Other Manufacturing Expenses		
Consumption of stores and spares	152.25	162.31
Power and fuel	241.73	221.26
Repairs and maintenance	7.51	20.78
Rent and amenities	23.55	21.60
Repairs and maintenance		
Roads and buildings	54.40	40.92
Vehicles	80.98	54.97
Others	7.60	12.64
Insurance	7.48	11.43
Rates and taxes	8.17	4.23
Payment to statutory auditors (Refer Note 32)	10.19	7.00
Transport and warehousing	139.20	120.03
Brokerage and commission	96.53	74.11
Travelling expenses	56.48	52.40
Legal and professional expenses	25.29	30.87
Postage and telephones	7.64	7.97
Printing and stationery	7.94	8.14
Bank charges	15.26	14.46
Directors' sitting fees	2.08	2.34
Advertisement and sales promotion	1.88	1.31
Exchange fluctuation loss (net)	40.73	1.18
Loss on fair valaution of forward contracts	-	4.94
Miscellaneous expenses	38.73	20.25
Total	**1,025.62**	**895.14**
Note:		
Amount capitalized during the current year:		
Salaries, wages and bonus	14.88	35.29
Stores and components consumed	2.49	18.88

NOTE 32
PAYMENT TO STATUTORY AUDITORS

For Audit	7.00	7.00
For Travelling and other Expenses	3.19	-
Total	**10.19**	**7.00**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018
NOTE 33		
INCOME TAX		
The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:		
Statement of profit and loss:		
Income Tax		
In respect of the current year	85.00	73.96
	85.00	73.96
Deferred Tax		
In respect of the current year	(85.52)	6.43
In respect of prior years	8.77	-
	(76.75)	6.43
Income tax expense reported in the statement of profit or loss	**8.25**	**80.39**
Other Comprehensive Income		
Deferred tax related to items recognised in OCI during the year		
Net (gain)/loss on revaluation of non-current investments	(21.79)	(6.60)
Net (gain)/loss on remeasurements of defined benefit plans	(5.47)	(29.24)
Income tax charged to OCI	**(27.26)**	**(35.84)**
Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2019 and 31 March 2018:		
Accounting profit before tax (a)	1,397.46	1,285.98
Income Tax Rate (b)	27.82%	26.00%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	388.77	334.35
Adjustments		
On account of dividend income	(0.09)	(5.62)
On account of non-taxable agricultural operations	(18.90)	36.82
On account of share of profit accounted under equity method	(325.03)	(320.47)
On account of other items		35.31
Items taxable at lower rate	(62.37)	-
Tax for items of other comprehensive income	27.26	-
Other items	(1.38)	-
Income tax expense reported in the statement of profit and loss	**8.26**	**80.39**

Given that the Company does not have any intention to dispose investments in associates and joint venture in the forseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised. Similarly, the Company does not have any intention to dispose of its Investment property - free hold land in the forseeable future, therefore, deferred tax asset on indexation benefit in relation to these assets has not been recognised.

	31 March 2019	31 March 2018
	All amounts are in INR Lakhs	

NOTE 34
EARNINGS PER SHARE

	31 March 2019	31 March 2018
Profit after Taxation in INR lakhs	1,389.21	1,205.59
Weighted average number of Equity Shares outstanding at end of year	6,27,350	6,27,350
Earnings per share (Basic and Diluted) in Rs.	221.44	192.17

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

NOTE 35
SEGMENT REPORTING

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

Additional Information:

Segment Revenue

	31 March 2019	31 March 2018
Revenue by Geographical Segment		
India	965.15	1,130.50
Rest of the World	2,484.51	1,736.18
Total Revenue from Sale of Products	**3,449.66**	**2,866.68**
Trade Receivables		
India	48.82	56.03
Rest of the World	126.89	213.44
Total Receivables	**175.71**	**269.47**

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

	31 March 2019	31 March 2018
NOTE 36		
EMPLOYEE BENEFITS		
(a) The Holding Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds" (net of recoveries) :		
Provident fund	96.80	98.07
Superannuation	2.05	6.20
(b) The Holding Company operates post retirement defined benefit plans as follows :-		
Gratuity Scheme:		
This is a funded defined benefit plan for qualifying employees for which, the Holding 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, 2019:-		
(i) Amount to be recognized in Balance Sheet and movement in net liability		
Present Value of Funded Obligations	613.48	653.39
Fair Value of Plan Assets	463.64	473.11
Net (asset) / Liability - Current	**149.84**	**180.28**
(ii) Expenses recognized in the Statement of Profit & Loss		
Current Service Cost	43.52	41.56
Interest on Net Defined Benefit Liability	10.78	1.76
Total	**54.30**	**43.32**
(iii) Amount recorded in Other Comprehensive Income		
Actuarial (gain)/loss on Plan Obligations	(19.13)	149.48
Return on plan assets exlcuing net interest	(0.53)	(3.27)
Total	**(19.66)**	**146.21**
(iv) Reconciliation of Net Liability/ Asset		
Opening Net Benefit Liability	180.28	60.65
Expense charged to profit and loss	54.30	43.32
Amount recognized outside profit and loss (in OCI)	(19.66)	146.21
Employer Contribution	(65.08)	(69.90)
Closing Net Defined Benefit Liability/ (Asset) - Current	**149.84**	**180.28**

All amounts are in INR Lakhs

NOTE 36
EMPLOYEE BENEFITS *(contd.)*

		31 March 2019	31 March 2018
(v)	**Reconciliation of Defined Benefit Obligation**		
	Opening Defined Benefit Obligation	653.39	462.83
	Interest Cost	43.75	30.59
	Current Service Cost	43.52	41.56
	Past Service Cost	-	-
	Interest on defined benefit obligation	-	-
	Benefits paid	(108.05)	(31.07)
	Actuarial Losses / (Gain) on obligation	(19.13)	149.48
	Closing Defined Benefit Obligation	**613.48**	**653.39**
(vi)	**Reconciliation of Fair Value of Plan Assets**		
	Opening Fair Value of Plan Assets	473.11	402.17
	Return on plan assets	0.53	3.27
	Contributions made	65.08	69.90
	Benefits Paid	(108.05)	(31.07)
	Interest		
	Income	32.97	28.84
	Closing Fair Value of Plan Assets	**463.64**	**473.11**
(vii)	**Description of Plan Assets**		
	Funds managed by Insurer	100%	100%
	Grand Total	**100%**	**100%**

All amounts are in INR Lakhs

	31 March 2019	31 March 2018

NOTE 36
EMPLOYEE BENEFITS *(contd.)*

(viii) Actuarial Assumptions

	31 March 2019	31 March 2018
Discount rate (p.a.)	7.47%	7.30%
Salary Escalation Rate (p.a.)	5.00%	5.00%
Attrition Rate (p.a)	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult

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

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

	31-Mar-19
Year 1	113.09
Year 2	67.68
Year 3	57.40
Year 4	60.46
Year 5	57.79
Next 5 Years	263.83
Average Duration of Defined Benefit Obligations	10.26 Years

The next year estimated liability is Rs. 46.20 Lakhs

(x) Effect of Change in Key Assumptions
Year Ended 31st March 2019

Particulars	31 March 2019	31 March 2018
Discount Rate		
Impact of increase in 100 bps on DBO	(580.14)	(625.94)
Impact of decrease in 100 bps on DBO	651.17	684.16
Salary Escalation Rate		
Impact of increase in 100 bps on DBO	650.52	682.12
Impact of decrease in 100 bps on DBO	(580.19)	(625.58)

(xi) Asset liability comparisions

Year	**31-Mar-19**	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
PVO at the end of the period	613.48	653.39	462.83	410.56	613.49
Plan assets	463.64	473.11	402.17	395.00	463.65
Surplus/ (deficit)	(149.84)	(180.28)	(60.65)	(15.56)	(149.84)
Experience adjustment on plan assets	0.53	3.27	0.19	1.59	0.53

All amounts are in INR Lakhs

	31 March 2019	31 March 2018

NOTE 36
EMPLOYEE BENEFITS *(contd.)*

c) Other Long Term Employee Benefits

(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, 2019:-

	31 March 2019	31 March 2018
(ii) Actuarial Assumptions		
Discount rate (p.a.)	7.47%	7.30%
Salary Escalation Rate (p.a.)	5.00%	5.00%
Attrition Rate (p.a)	5.00%	5.00%
(iii) Effect of Change in Key Assumptions Year Ended 31st March 2019		
Particulars		
Discount Rate		
Impact of increase in 100 bps on DBO	(2.05)	(5.12)
Impact of decrease in 100 bps on DBO	2.33	5.22
Salary Escalation Rate		
Impact of increase in 100 bps on DBO	2.33	5.22
Impact of decrease in 100 bps on DBO	(2.05)	(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 37
RELATED PARTY TRANSACTIONS

A Details of related parties:

Directors who held the office during the year:

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

Key Management Personnel (KMP)

Mr. T M Hari Kumar, Company Secretary & CFO (upto 30 September 2018)
Mr. Deepak G. Prabhu, CFO (w.e.f 1 October 2018)
Mr. S. Lakshmi Narasimhan, Company Secretary (w.e.f 14 February 2019)

Associates & Joint Venture of the company :

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

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

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

B. Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:

All amounts are in INR Lakhs

Sl. No.	Particulars	Directors		Key Management Personnel (KMP)		Associate & Joint Venture of the Company		Entities in which Directors are Interested	
		31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
	Transactions during the year:								
1	Sitting Fees to Chairman	0.66	0.40	-	-	-	-	-	-
2	Sitting Fees to Other Directors	1.42	1.94	-	-	-	-	-	-
3	Professional fees	-	-	-	-	-	3.45	-	-
4	Dividend Received	-	-	-	-	322.40	184.83	0.33	0.17
5	Sale of Goods / Consumables and Ingredients	-	-	-	-	100.80	97.49	0.91	76.05
6	Sale of Fixed Assets	-	-	-	-	-	-	-	15.91
7	Warehousing Charges	-	-	-	-	-	-	1.63	3.59
8	Sale of investment	43.40	-	-	-	-	-	-	-
9	Donations (miscellaneous expenses)	-	-	-	-	-	-	14.50	-
10	Dividend Paid	124.02	82.62	-	-	-	-	-	-
11	Remuneration to Executive Director *	28.17	28.17	-	-	-	-	-	-
12	Remuneration to Key Managerial Personnel *	-	-	41.78	26.37	-	-	-	-

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

Outstanding Balance at the year end

Sl. No.	Particulars	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
1	Trade receivables	-	-	-	-	0.63	7.60	0.95	1.21
2	Investments	-	-	-	-	11,622.24	10,755.33	0.83	13.14

All amounts are in INR Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
NOTE 38		
COMMITMENTS AND CONTINGENCIES		
1) On account of Income Tax matters in dispute	4.43	4.43
2) On account of Sales Tax matters in dispute:	12.43	-
3) 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 Holding Company has not provided for the additional liability.		
4) **Commitments and Contingencies in respect of associates and joint venture**		
Share of contingent liability of associate	604.71	419.44
Share of contingent liability of the JV	8.96	4.09

5) **Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is Rs. 6.34 Lakhs (31 March 2018: Rs. 3.61 Lakhs).

NOTE 39
GUARANTEE GIVEN BY THE COMPANY

Bank Guarantees of Rs. Nil (31 March 2018: - Rs. 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 Rs. 26.78 lakhs (31 March 2018: Rs. 86.35 lakhs).

NOTE 40
OTHER REGULATORY MATTERS

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

Particulars	31 March 2019	31 March 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2.32	9.61
(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 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 41
FAIR VALUE MEASUREMENT

Financial Instruments by category

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

Financial assets and liabilities

All amounts are in INR Lakhs

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets:						
Non Current						
Investments*	-	969.86	-	-	271.15	-
Loans	-	-	4.73	-	-	4.96
Other financial assets	-	-	34.52	-	-	34.55
Current						
Investments	1,526.92	-	-	1,602.84	-	-
Trade Receivables	-	-	175.71	-	-	269.47
Cash and Cash Equivalents	-	-	15.19	-	-	164.65
Bank Balances other than Cash & Cash Equivalents	-	-	110.27	-	-	236.60
Loans	-	-	1.28	-	-	1.28
Total	**1,526.92**	**969.86**	**341.70**	**1,602.84**	**271.15**	**711.51**
Financial liabilities:						
Current						
Trade Payables	-	-	134.90	-	-	159.42
Other financial liabilities - Current	-	-	328.60	4.94	-	206.61
Total	-	-	**463.50**	**4.94**	-	**366.03**

* Does not include investments in Associates / Joint venture recognised using equity method.

NOTE 42
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, 2019:

	Notes	Level 1	Level 2	Level 3	Total
Financial asset-					
Investment in Shares & Mutual Funds	A.2	1,474.63	52.29	-	1,526.92
Financial liability-					
Forward Cover Contracts - marked to market at the Balance Sheet date	A.2	-	-	-	-

All amounts are in INR Lakhs

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

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, 2019:

	Notes	Level 1	Level 2	Level 3	Total
Non-Current Investments	B.2	-	969.86	-	969.86

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

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.

All amounts are in INR Lakhs

C.1 Investment Property - Land - Cost

Financial assets and liabilities disclosed at fair value-recurring fair value measurements as at March 31, 2019:

	Notes	Level 1	Level 2	Level 3	Total
Investment Property - Land	C.1	-	318.41	-	318.41

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
Investment Property - Land	C.1	-	318.41	-	318.41

C.1 Investment property - Land fair value

The company has taken market value guidlines value as suggested by Government of Tamilnadu -Registartion of department as displayed on the website for the disclosure of fair valuation of investment property - Land.

D 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].

E. 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 43
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(A) Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

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 2019. 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 2019 and 31 March 2018.

(a) Interest rate risk

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

Sensitivity Analysis of the Interest Rate

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

	Effect on profit before tax in INR lakhs	
	31st March 2019	31st March 2018
100bp increase	-	(0.04)
100bp decrease	-	0.04

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.

NOTE 43
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd....)*

(b) Foreign currency risk

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

Financial Assets	31st March 2019 (Rs. in Lakhs)	31st March 2018 (Rs. in Lakhs)
Trade Receivables - USD	126.89	213.44
Forward Cover Contracts - USD	-	647.53
Net unhedged Exposure - USD	126.89	(434.09)

(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 2019	31st March 2018
USD Exposure in INR	1% -Strengthening	1.27	(4.34)
USD Exposure in INR	1% -Weakening	(1.27)	4.34

(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 Analysis

		Effect on profit before tax in INR lakhs	
		31st March 2019	31st March 2018
Equity price exposure for current investments	1% -Strengthening	15.27	16.03
Equity price exposure for current investments	1% -Weakening	(15.27)	(16.03)

NOTE 43
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd....)*

(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 inventory in place.

(B) Credit risk

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

(a) Trade receivables

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

Excessive risk concentration

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

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

Particulars	31 March 2019	31 March 2018
No of Customers to whom Sales made is more than 10% of the Turnover	2	2
Contribution of Customers in Sales more than 10% of Turnover	49.77%	44.81%

Particulars	31 March 2019	31 March 2018
No of Customers who owed more than 10% of the Total receivables	4	4
Contribution of Customers in owing more than 10% of Total receivables	87.91%	73.72%

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

(b) Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts as mentoned in Notes.

NOTE 43
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Contd....)*

(C) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to 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 2019	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	110.27	218.33	-	-	-	328.60
Trade and other payables	-	134.90	-	-	-	134.90
Year ended 31 March 2018						
Interest-bearing loans and borrowings	-	-	-	-	-	-
Other financial liabilities	150.24	61.31	-	-	-	211.55
Trade and other payables	-	159.42	-	-	-	159.42

NOTE 44
CAPITAL MANAGEMENT

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

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

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

	31st March 2019 (in Lakhs)	31st March 2018 (in Lakhs)
Fund Based facilities	275.00	375.00

NOTE : 45.1
INTEREST IN ASSOCIATES & JOINT VENTURES

All amounts are in INR Lakhs

Name of the entity	Place of Business	% of Ownership Interest	Relationship	Accounting Method	Quoted Fair Value		Carrying Amount	
					As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2016
AVT Natural Products Limited	India	40.00%	Associate	Equity Method	16,233.47	21,928.90	9,408.24	8,877.41
Midland Corporate Advisory Services Private Limited*	India	32.89%	Associate	Equity Method	-	-	7.84	8.63
AVT Mccormick Ingredients Private Limited*	India	14.58%	Joint Venture	Equity Method	-	-	2,206.16	1,869.29

*Unlisted entity - no quoted price available

NOTE : 45.2
SUMMARISED FINANCIAL INFROMATION OF ASSOCIATES / JOINT VENTURES

All amounts are in INR Lakhs

	AVT Natural Products Limited		Midland Corporate Advisory Services Pvt. Ltd.		AVT McCormick Ingredients Pvt. Ltd.	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Current assets						
Cash and cash equivalents	970.80	691.20	12.78	13.34	403.60	269.50
Other assets	27,374.06	21,659.56	6.86	7.02	27,649.80	25,195.20
Total Current Assets	**28,344.86**	**22,350.76**	**19.64**	**20.36**	**28,053.40**	**25,464.70**
Total Non-Current Assets	**10,533.64**	**10,608.43**	**4.41**	**6.42**	**2,999.58**	**3,098.20**
Current liabilities						
Financial Liabilities(excluding trade payables)	6,931.13	3,957.01	-	-	10,012.30	9,886.30
Other Liabilities	3,984.87	4,057.75	0.28	0.60	5,162.55	5,182.70
Total current liabilities	**10,916.00**	**8,014.76**	**0.28**	**0.60**	**15,174.85**	**15,069.00**
Non-current liabilities						
Financial Liabilities(excluding trade payables)	1,591.15	-	-	-	-	-
Other Liabilities	1,209.46	1,109.63	-	-	360.93	285.90
Total Non-current liabilities	**2,800.61**	**1,109.63**	-	-	**360.93**	285.90
Net Assets	25,161.89	23,834.80	23.78	26.18	15,517.20	13,208.00

NOTE : 45.3
RECONCILIATION TO CARRYING AMOUNTS

All amounts are in INR Lakhs

Particulars	AVT Natural Products Limited		Midland Corporate Advisory Services Pvt. Ltd.		AVT McCormick Ingredients Pvt. Ltd.	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Opening Net Assets	23,834.80	22,415.96	26.18	21.76	13,208.00	11,761.6
Profit for the year	2,084.38	2,420.84	(2.40)	4.42	2,753.85	2,229.7
Other Comprehensive Income	(22.94)	(268.86)	-	-	206.25	(263.40)
Dividends paid including dividend distribution tax	(734.35)	(733.14)	-	-	649.90	(519.90)
Closing Net Assets	25,161.89	23,834.80	23.78	26.18	15,518.20	13,208.00
Group's Share in %	40.00%	40.00%	32.89%	32.89%	14.58%	14.58%
Group's Share in INR	10,064.76	9,533.92	7.84	8.63	2,263.07	1,926.17
Carrying amount	9,408.24	8,877.41	7.84	8.63	2,206.16	1,869.29

NOTE : 45.4
SUMMARISED STATEMENT OF PROFIT AND LOSS

All amounts are in INR Lakhs

Particulars	AVT Natural Products Limited		Midland Corporate Advisory Services Pvt. Ltd.		AVT McCormick Ingredients Pvt. Ltd.	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Revenue From Operations / Income from services	33,915.36	32,827.61	-	18.00	44,104.65	38,625.30
Interest Income	12.48	29.42	0.77	0.23	7.97	8.00
Depreciation and amortization expense	1,085.32	716.26	2.00	4.63	281.18	268.70
Interest Expenses	508.98	253.67	-	-	619.39	586.80
Income Tax Expense	901.25	1,162.29	-	-	1,492.16	1,221.00
Profit (Loss) for the year	2,084.38	2,420.84	(2.40)	4.42	2,753.85	2,229.70
Other comprehensive Income for the year, net of tax	(22.94)	(268.86)	-	-	206.25	(263.40)
Total Comprehensive Income for the year	2,061.44	2,151.98	(2.40)	4.42	2,960.10	1,966.30
Dividends received	243.66	243.65	-	-	78.75	63.00

NOTE : 46

ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013

All amounts are in INR Lakhs

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								
Sunday, March 31, 2019	25.99%	3,980.91	15.99%	220.80	77.00%	70.71	19.99%	291.51
Saturday, March 31, 2018	24.99%	3,593.88	(2.01%)	(26.97)	49.00%	(142.13)	(18.01%)	(169.10)
Associates(Investments as per Equity Method)								
AVT Natural Products Limited								
Sunday, March 31, 2019	60.00%	9,408.24	56.00%	783.67	(10.00%)	(9.18)	52.00%	774.49
Saturday, March 31, 2018	62.00%	8,877.41	76.00%	918.73	37.00%	(107.54)	88.00%	811.19
Midland Corporate Advisory Services Private Limited								
Sunday, March 31, 2019	0.01%	7.84	0.01%	(0.79)	-	-	0.01%	(0.79)
Saturday, March 31, 2018	0.01%	8.63	0.01%	1.45	-	-	0.01%	1.45
Joint Venture(Investments as per Equity Method)								
AVT Mccormick Ingredients Private Limited								
Sunday, March 31, 2019	14.00%	2,206.16	28.00%	385.53	33.00%	30.09	28.00%	415.62
Saturday, March 31, 2018	13.00%	1,869.29	26.00%	312.35	13.00%	(38.41)	30.00%	273.94
Total								
Sunday, March 31, 2019	100.00%	15,603.15	100.00%	1,389.21	100.00%	91.62	100.00%	1,480.83
Saturday, March 31, 2018	100.00%	14,349.21	100.00%	1,205.57	100.00%	(288.08)	100.00%	917.49

All amounts are in INR Lakhs

	31 March 2019	31 March 2018

NOTE . 47
DEPOSITS AND ADVANCES IN THE NATURE OF LOANS TO ASSOCIATES / JV

Particulars	Nature	31 - Mar - 19		31 - Mar - 18	
		Maximum Amount outstanding during the year	Balance outstanding	Maximum Amount outstanding during the year	Balance outstanding
AVT Natural Products Limited	Associate	-	-	-	-
Midland Corporate Advisory Services Private Limited	Associate	-	-	-	-
AVT Mccormick Ingredients Private Limited	Joint Venture	-	-	-	-

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

NOTE 48
DIVIDENDS

Dividends paid during the year 2018-19 represent final dividend of 200% declared in the financial year 2017-18 (Rs.151.02 lakhs inclusive of DDT) and interim dividend of 100% declared in the financial year 2018-19 (Rs.75.87 lakhs inclusive of DDT).

The dividends declared by the Holding Company are in Indian Rupees and are based on the profits available for distribution as reported in the statutory financial statements of the Holding Company. Subsequent to March 31, 2019, the Board of Directors of Holding Company have proposed a dividend of Rs.20 per share (200%) in respect of financial year 2018-19. The proposal is subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately Rs.151.74 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 : 28.05.2019

For and on behalf of the Board of Directors

Shanthi Thomas
Executive Director
Din : 00567935

Ajit Thomas
Chairman
Din : 00018691

Deepak G. Prabhu
CFO

S. Lakshmi Narasimhan
Company Secretary
Membership No. A35541

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.	%
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
2018/2019 (Ind AS) (Rs. in Lakhs)	551.46	97.60	8.25	Nil	62.73 (Interim Divided)	100
					125.47 (Final Divided)	200*

* Recommended

AREA PARTICULARS

Area as on 01-04-2019

	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@avtplantations.co.in Website : www.neelamalaiagro.com

ATTENDANCE SLIP

I hereby record my presence at the 76th Annual General Meeting of theCompany at 12 noon on Friday, the 30th August, 2019 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 76th Annual General Meeting of the Company,to be held on Friday, the 30th August, 2019 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.

Ordinary Business

1. Adoption of financial statements (including consolidated financial statements) for the year ended 31.03.2019
2. Declaration of Final Dividend
3. Re-appointment of Mr. Ajit Thomas as Director

Special Business

4. Alteration of Articles of Association of the Company

Revenue Stamp of Re 1/-

Signed this .... day of 2019

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 : ……………………………………………….