

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	NA	✓	AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

A.V. THOMAS
INDUSTRIAL PRODUCTS LIMITED

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12th
ANNUAL REPORT & ACCOUNTS
1997 - 98



A.V. THOMAS INDUSTRIAL PRODUCTS LIMITED

BOARD OF DIRECTORS

AJIT THOMAS (Chairman)

J. THOMAS

DILIP THOMAS

FIELD MARSHAL SAM MANEKSHAW, MC

M.A. ALAGAPPAN

SHYAM B. GHIA

HABIB HUSSAIN

AUDITORS

SURI & CO.

Chartered Accountants

FACTORY ADDRESS

Village Chichkeda, Dist. Chindwara,
Madhya Pradesh - 480 334.

Vazhakulam, Marampally P.O., Ernakulam District,
Aluva, Kerala - 683 107.

BANKERS

Bank of Baroda

State Bank of India

REGISTERED OFFICE

22, Marshalls Road,
Egmore, Chennai - 600 008.
Phone : 855 3249

A.V. THOMAS INDUSTRIAL PRODUCTS LIMITED

Regd Office : 22 Marshalls Road, Egmore, Chennai 600 008

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twelfth Annual General Meeting of A V Thomas Industrial Products limited will be held at Ambassador Pallava, No. 53 Montieth Road, Chennai 600 008 on 9th September 1998 at 11.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Reports of the Directors and Auditors and the Profit and Loss Account for the financial year ended 31.03.1998 and the Balance Sheet as at that date.
2. To declare dividend.
3. To appoint a Director in the place of Field Marshal Sam Manekshaw, who retires by rotation and is eligible for re-appointment
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if though fit, to pass with or without modification, the following as an Ordinary Resolution:-

RESOLVED "That in supersession of the resolution passed at the seventh Annual General Meeting of the Company held on 5th August 1993 and pursuant to Section 293 (1) and other applicable provisions, if any, of the Companies Act 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, obtain and/or avail by way of loans and/or advances, any sums of money or moneys (Apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) from Banks/ Financial Institutions/other Bodies Corporate, notwithstanding that the total borrowing may exceed the aggregate of the paid-up Capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) provided, however, the aggregate amount so borrowed and/or availed from Banks/Financial Institutions/Other Bodies Corporate shall not exceed at any point of time Rs 50,00,00,000/- (Rupees Fifty Crores Only) and to authorise the Board of Directors to mortgage and/or create charge wholly or substantially the whole of all the properties movables and immovables both present and future, wherever situate, for securing any loans and/or advances as may be obtained and/or availed from Banks/Financial Institutions/Other Bodies Corporate together with interest, costs, charges, expenses and any other money and/or moneys payable by the Company"

By Order of the Board
For A V Thomas Industrial Products Ltd
HABIB HUSSAIN
Director

Place : Chennai
Date : 15th June 1998

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote instead of himself and such proxy need not be a member.
2. The form of proxy shall be deposited at the Registered office of the Company not later than 48 hours before the time fixed for holding the Annual General Meeting.



3. The explanatory statement of materials facts pursuant to Section 173 of the Companies Act, 1956 is enclosed.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 18th August 1998 to 9th September 1998 (both the days inclusive)
5. Pursuant to Section 205 A of the Companies Act, 1956 all Unclaimed dividends upto the year 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Tamil Nadu at Chennai.

EXPLANATORY STATEMENT

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

Item No.5 in the Notice:

The Company had previously restricted its borrowings on mortgaging of immovable properties only with Specific Banks by passing resolution at its 7th Annual General Meeting held on 5th August 1993.

With a view to widen the source of borrowings the company intends to include Financial Institutions/Banks and Other Bodies Corporate also, for securing loans by way of mortgage or otherwise, wholly or substantially the whole of all the properties, movables and immovable, both present and future wherever situate in favour of Banks/Financial Institutions/Other Bodies Corporate for which shareholders' sanction is required under the provisions of the Companies Act, 1956 enabling the Board to do such things as may be required.

Your Directors recommend passing of this resolution.

None of the Directors are in any way concerned or interested in this resolution proposed to be passed by the shareholders.

Place : Chennai
Date : 15th June 1998

By Order of the Board
For A V Thomas Industrial Products Ltd
HABIB HUSSAIN
Director

A.V. THOMAS INDUSTRIAL PRODUCTS LIMITED

DIRECTOR'S REPORT

To

The Members of

A.V. THOMAS INDUSTRIAL PRODUCTS LTD.

Your Directors have pleasure in presenting the 12th Annual Report together with the audited accounts for the year ended 31st March 1998.

FINANCIAL RESULTS

	Year ended 31st March 1998	Year ended 31st March 1997
	(Rs. in Lakhs)	
Income	4942.14	3698.93
Profit before tax	110.34	123.81
Profit after tax	110.34	123.81
Profit brought forward	48.13	66.20
Appropriation		
Transfer to General Reserve	50.00	50.00
Transfer to Contingency Reserve	50.00	50.00
Proposed Dividend on:		
Equity Share	38.07	38.07
Profit carried forward	16.59	48.13

DIVIDENDS

The Directors are pleased to recommend a dividend of 10% on Equity Shares for the year ended 31.3.98 which is exempt from Income Tax in the hands of the Shareholders and therefore no Income Tax is deductible at source.

OPERATIONS

Your company's oleoresin division has produced 438 Metric Tons of Marigold and Spice Oleoresin during 1997-98 as against 317 Metric Tons during the previous year. The operating profit of the division is Rs 210.10 Lakhs as against 186.10 lakhs of the previous year.

The lower profit margin is due to the closure of Sathyamangalam unit for a period of 18 days on account of villagers agitation on Environmental issue though your company has a valid Pollution Control Board Clearance Certificate. Due to this problem, raw materials were stored in far off places resulting in loss of Xanthophyll in flowers and also high freight cost. Your company made substantial investments in building additional Effluent Treatment Plant and also participate in providing & maintaining health care facilities at Sathyamangalam Taluk under the scheme announced by the Honourable Chief Minister of Tamil Nadu.

With regard to soyabean division, your company has processed 37114 Metric Tonnes of Oil seeds out of which 21624 Metric Tonnes of Soyabean and 601 Metric Tonnes of Sunflower seed were processed on job processing basis. This year also this division suffered a loss of Rs 93.94 lakhs. On account of dismal performance of this division it has been decided to close the factory with effect from 1st August 1998. All legal formalities relating to the closure have been complied with. With the existing labour force and other infrastructure a third centre for Marigold Agricultural Extension would be opened in Madhya Pradesh.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO:

The Company's operations during the year under review has resulted in a foreign exchange inflow of Rs 3,098.87 lakhs and outflow of Rs 6.07 lakhs.

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure to this Report.

DIRECTORS

Mr. J. Thomas and Field Marshal Sam Manekshaw, MC retire by rotation at the ensuing Annual General Meeting. Mr. J. Thomas does not seek re-election. Field Marshal Sam Manekshaw, MC being eligible, offer himself for re-election.

AUDITORS

M/s Suri & Co., Chartered Accountants, retire and are eligible for re-appointment.

**PARTICULARS OF EMPLOYEES**

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, forms part of this report. However, as per the provision of Section 219 (1) (b) (iv) of the Companies Act, 1956, the report and accounts are being sent to all shareholders of the company excluding the aforesaid information. Any shareholder interested in obtaining a copy of the particulars may write to the Company at the Registered Office of the Company.

DEPOSITS

The Directors Report that there is no unpaid deposit. Unclaimed deposits as on 31.3.1998 is Rs 2,60,000/-.

ACKNOWLEDGEMENT

The Directors wish to thank the bankers for their continued and positive support.

The directors also appreciate support and co-operation received from the farmers, seed growers and its esteemed customers, brokers, traders as well the employees of the company.

For and on behalf of the Board

Chennai
15th June 1998.

AJIT THOMAS
Chairman





**ANNEXURE TO THE DIRECTORS' REPORT
FORM A**

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(A) POWER AND FUEL CONSUMPTION

	Current Year	Previous year
1. Electricity		
Purchased:		
Unit	9,48,337	6,51,652
Total Amount (Rs)	38,76,563	30,50,415
Rate/Unit	4.09	4.68
Own Generation:		
Unit	7,57,580	6,14,967
Total Amount (Rs)	21,12,487	17,02,021
Rate/Unit	2.79	2.77
2. Coal		
Quality C Grade used in Boiler	3,344	3,129
Quantity (Tonnes)	50,54,799	42,66,932
Total Cost (Rs)		
Average Rate (Rs.)	1,512	1,364

(B) CONSUMPTION PER UNIT OF PRODUCTION

Oil Seeds/Cakes processed (Tonnes)	37,114	29,989
Electricity - Units /Ton	45.96	42.24
Coal - Kg/Ton	90	104

The above disclosure does not include, the expenses incurred in Oleoresin division as the same is exempted under the Companies Act.

FORM B :

**DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION
RESEARCH AND DEVELOPMENT (R & D)**

Specific areas of research and development

The expenses incurred for Research and Development include development of Trial Plots/Nursery of Marigold and Spices.

Benefits of R & D

Trial plots and nurseries are developed for improving the net farm returns by increasing productivity and by taking major cultivational practices and yield can be tracked with all relevant parameters like cost, calix petal ratio, xanthophyll and lutein content.

Future Plan of action

The company will focus in educating the farmers to increase the yield of Marigold and Spices.

Expenditure on R & D

a) Capital	Nil
b) Recurring	66,354
c) Total	66,354

A.V. THOMAS INDUSTRIAL PRODUCTS LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF A.V. THOMAS INDUSTRIAL PRODUCTS LIMITED

We have examined the accounts of A.V. THOMAS INDUSTRIAL PRODUCTS LTD, Chennai for the year ended 31st March 1998 and the attached Balance Sheet as at 31st March 1998 and the Profit and Loss Account for the year ended that date and annexed thereto and report that:

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- i) In the case of the Balance Sheet of the Company's affairs as at the end of the financial year, and
- ii) In the case of the Profit and Loss Account, of the **PROFIT** for the financial year.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit, in our opinion, proper books of account, as required by Law have been kept by the Company so far as appears from our examination of these books. The Company's Balance Sheet and Profit and Loss Account, dealt with by this Report, are in agreement with the books of account.

As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988, issued by the Central Government, under Section 227 (4A) of the Companies Act 1956, we have to further state that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Management has physically verified the existence of all fixed assets and no serious discrepancies have been noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. Physical verification of stocks of finished goods, stores and spares, raw and other materials has been conducted by the Management at reasonable intervals.
4. The procedures of physical verification of stocks followed by the Company is reasonable and adequate, commensurate with the size of the Company and the nature of its business.
5. No material discrepancies have been noticed on physical verification of stocks as compared to the book records.
6. The valuation of these stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in last year.
7. The Company has not taken any deposits/loans, secured or unsecured from Companies, Firms or Other Parties listed in the registers maintained under Sections 301 and 370 (1C) of the Companies Act, at the rate of interest and other terms and conditions which are prima-facie prejudicial to the interest of the Company.
8. The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties listed in the registers maintained under Sections 301 and 370 (1C) of the Companies Act, 1956 at the rate of interest and other terms and conditions which are prima-facie prejudicial to the interest of the Company.