

**A.V. THOMAS  
INDUSTRIAL PRODUCTS LIMITED**



**13<sup>th</sup>  
ANNUAL REPORT & ACCOUNTS  
1998 - 99**

## A.V. THOMAS INDUSTRIAL PRODUCTS LIMITED

### BOARD OF DIRECTORS

Mr. AJIT THOMAS (Chairman)

Mr. DILIP THOMAS

FIELD MARSHAL SAM MANEKSHAW, MC

Mr. M.A. ALAGAPPAN

Mr. SHYAM B. GHIA

Mr. HABIB HUSSAIN

### COMPANY SECRETARY

Mr. V. SURESH

### AUDITORS

M/s. SURI & CO.

Chartered Accountants

### BANKERS

Bank of Baroda

State Bank of India

South Indian Bank Ltd.

### FACTORY ADDRESS

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

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

### REGISTERED OFFICE

72-E, Chesney Estate,  
Commander-in-Chief Road,  
Chennai - 600 105.

### CONTENTS

	PAGE
Notice to Shareholders	2
Directors' Report	4
Auditors' Report	6
Accounts	8
Schedules	10
Cash Flow Statement	22

## A.V. THOMAS INDUSTRIAL PRODUCTS LIMITED

Regd Office : 72-E, Chesney Estate, Commander-in-Chief Road, Chennai - 600 105

### NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Company will be held at 11.00 a.m. on Monday the 26th July, 1999 at Hotel Ambassador Pallava, No. 53, Montieth Road, Chennai - 600 008 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at and the Profit & Loss Account for the year ended 31.03.1999 and the Reports of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in the place of Mr. Dilip Thomas, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Habib Hussain, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration. Messrs. Suri & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

#### SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED that the payment of five percent of the audit fees payable to the Statutory Auditors, M/s. Suri & Co., Chartered Accountants, towards service tax be approved, besides the audit fees of Rs. 1,00,000 (Rupees One Lakh only) determined by the shareholders at their Annual General Meeting held on 9th September 1998.

7. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution :

RESOLVED that subject to the approval of the Central Government as required under Section 21 of the Companies Act, 1956, approval of the members be and is hereby given for changing the name of the Company from A V Thomas Industrial Products Ltd., to AVT Natural Products Ltd.

RESOLVED FURTHER that the name A V Thomas Industrial Products Ltd., wherever occurs in the Memorandum and Articles of Association of the Company be substituted by the new name AVT Natural Products Ltd.

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

Chennai  
24th May 1999

V. SURESH  
Company Secretary

#### 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. Proxy forms, complete in all respects, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. Form of Proxy is enclosed.
2. The Explanatory statement pursuant to Sec. 173(2) of the Companies Act, 1956 is enclosed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 16.07.99 to 26.07.99 (both days inclusive)
4. The dividend, if approved, will be paid to those members whose names appear on the Register of Members as on the date of the AGM, viz., 26.07.1999.
5. Members are requested to intimate changes, if any, in their registered address to the Company immediately.

**EXPLANATORY STATEMENT**

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

**Item No. 6**

At the Annual General Meeting of the Company held on 9.09.98, the members had approved the appointment of M/s. Suri & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of that meeting till the conclusion of the ensuing Annual General Meeting on a remuneration of Rs. 1,00,000/- (Rupees One Lakh only) besides reimbursement of travelling and other expenses incurred by them. Subsequent to the shareholders' approval, the levy of the Service Tax was extended by the Finance Act, 1998, to remuneration payable to Statutory Auditors of the Company.

The Ordinary Resolution set out in item No. 6 of the Notice convening this Annual General Meeting is proposed to obtain the approval of the shareholders of the Company to pay, in addition to the remuneration and reimbursement of expenses, the service tax at five percent of the remuneration payable for the financial year 1998-99.

The Board commends the passing of the resolution.

None of the Directors of the Company is concerned or interested in the said ordinary resolution.

**Item No. 7**

As the main activity of the Company involves extraction of oleoresins, essential oils and fixed oils from natural raw materials, it is considered desirable to suitably re-name the Company, so that it reflects the main business of the Company. Hence this resolution. The Registrar of Companies has also confirmed the availability of the new name.

The Board commends the passing of the resolution.

None of the Directors is concerned or interested in the said special resolution.

Chennai  
24th May 1999

By Order of the Board  
For A V Thomas Industrial Products Ltd  
V. SURESH  
Company Secretary



Report Junction.com

# A.V. THOMAS INDUSTRIAL PRODUCTS LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their Thirteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1999.

### FINANCIAL RESULTS

The Company's turnover during the year was Rs. 3913.25 lakhs against Rs.4874.21 lakhs last year and the net profit after depreciation was Rs.521.88 lakhs against Rs.110.34 lakhs for the previous year, as per details given below :

(Rupees in lakhs)

	1998-99	1997-98
Profit before tax	521.88	110.34
Profit after tax	521.88	110.34
Profit brought forward	16.59	48.13
Total amount available for appropriation	538.47	158.47
<b>Appropriations</b>		
Transfer to Contingency Reserve	—	50.00
Transfer to General Reserve	350.00	50.00
Proposed dividend on Equity Shares	95.18	38.07
Provision for Tax on Dividend	10.47	3.81
Profit carried forward	82.82	16.59

### DIVIDEND

Your Directors are pleased to recommend a dividend of 25% on Equity Shares out of the profits for the year ended 31.03.99 which is exempt from Income Tax in the hands of the Shareholders and therefore no Income Tax is deductible at source.

### REVIEW OF OPERATIONS

The Oleoresin Division of the Company has performed extremely well during the year 1998-99. It produced 502 Metric Tons of Marigold and Spice Oleoresin as against 438 Metric Tons during the previous year. As a consequence of continuous improvement programme carried out by the Company, the recovery in Marigold flowers has improved which has reduced the cost of production and increased profits. In order to meet the increased demand for marigold oleoresin, your company intends investing in new centres for additional production.

The Company ceased to be the subsidiary of Neelamalai Agro Industries Ltd., with effect from 29.03.1999.

### Y2K COMPLIANCE

The Company has made significant progress in the area of Hardware / Software requirements and reasonable steps have been taken to minimise the risk of exposure to Y2K problem.

### FIXED DEPOSITS

As on 31.03.99 a total sum of Rs. 9,52,950/- due to 13 fixed deposit holders remained unclaimed. Out of this, deposits for a total sum of Rs. 5,66,485/- were repaid/renewed subsequently.

### CHANGE OF COMPANY'S NAME

It is proposed to change the name of the Company to 'AVT Natural Products Ltd', so as to reflect the main business of the Company.

### DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Dilip Thomas and Mr. Habib Hussain retire by rotation at the 13th AGM and being eligible, offer themselves for re-appointment.

### AUDITORS

M/s. Suri & Co., Chartered Accountants, Chennai - 600 006, Auditors of the Company retire at the conclusion of the ensuing AGM and being eligible, offer themselves for reappointment. They have confirmed that their re-appointment, if made, will be within the limits specified under Sec. 224(1-B) of the Companies Act, 1956.

### STATUTORY PARTICULARS

Particulars of Employees in terms of the requirements of Sec. 217(2A) of the Companies Act, 1956 have been given in Annexure-I, forming part of this report.

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo, have been given in Annexure-II forming part of this report.

### ACKNOWLEDGEMENT

Your Directors wish to convey their sincere thanks to Industrial Development Bank of India, Bank of Baroda, State Bank of India and South Indian Bank Ltd., for their continued and positive support to the Company.

Your Directors also wish to convey their appreciation for the support and co-operation received from the Farmers, Seed Growers, Customers, as well as from the Employees of the Company.

For and on behalf of the Board

Chennai  
24th May 1999

AJIT THOMAS  
Chairman



### ANNEXURE-I TO THE DIRECTORS' REPORT

Statement showing the Particulars of the Employees who were in receipt of remuneration which in the aggregate was not less than Rs. 6,00,000 per annum or Rs. 50,000 per month during the year as per Section 217 (2A) of the Companies Act, 1956 read with Particulars of Employees Rules, 1975 and forming part of the Directors Report for the year ended 31.03.99.

Sl. No.	Name	Age	Designation	Remuneration Rs.	Qualification	Experience (Years)	Date of Commencement of Employment	Previous Employment
1	Mr. V. Ravikumar	47	Executive Director	7,98,262	M.Tech.	25	01.10.1996	Vice-President Projects A V Thomas & Co Ltd.

### ANNEXURE-II TO THE DIRECTORS' REPORT

#### FORM A

#### DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

##### (A) POWER AND FUEL CONSUMPTION\*

##### (B) CONSUMPTION PER UNIT OF PRODUCTION\*

\*There is no production in the Soya Unit at Pandhurna during the year and therefore, the particulars are not furnished.

#### 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, 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	88,418
c) Total	88,418

##### Foreign Exchange Earnings / Outgo

The Company's operations during the year under review has resulted in a foreign exchange inflow of Rs. 38.60 crores and outflow of Rs. 1.39 lakhs.

---

## 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 1999 and the attached Balance Sheet as at 31st March 1999 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.

In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

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, 1956, 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.
9. There is adequate internal control procedure commensurate with size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.