

AVT NATURAL PRODUCTS LIMITED



15th Annual Report
2000-2001

FIFTEENTH ANNUAL GENERAL MEETING

Day : Friday
Date : 7th September 2001
Time : 11.00 a.m.
Venue : Rani Seethai Hall,
603, Anna Salai,
Chennai 600 006.

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AVT NATURAL PRODUCTS LIMITED

BOARD OF DIRECTORS

Mr. Ajit Thomas, *Chairman*
Field Marshal Sam Manekshaw, MC
Mr. M.A. Alagappan
Mr. Shyam B. Ghia
Mr. Habib Hussain
Mr. M.S.A. Kumar, *Whole-time Director*

COMPANY SECRETARY

Mr. V. Suresh

AUDITORS

M/s. Suri & Co.,
Chartered Accountants

BANKERS

Bank of Baroda
State Bank of India
South Indian Bank Ltd.,

REGISTERED OFFICE

72-E, Chesney Estate,
Ethiraj Salai,
Chennai - 600 008.
E-mail : avtsec@md4.vsnl.net.in

FACTORY ADDRESS

SF No. 234/1, Mysore Trunk Road,
Puduvadavalli
Sathyamangalam - 638 401.

SF No. 123/2, Nayanapalli Cross,
Bisibamanepalli (Vil), Lepakshi (Mdl.),
Hindupur - 515 331.

HL No. 1182, Halkurika Village,
Honavally Hobly, Tiptur Taluk,
Tumkur Dist., Karnataka 572 202

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

FINANCIAL HIGHLIGHTS

For the last five years

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001
Sales & Services (Rs. lakhs)	3610.09	4874.21	3913.26	5404.55	6297.49
Net Profit (Rs. lakhs)	123.81	110.34	521.88	1137.76	504.41
Networth (Rs. lakhs)	966.30	1034.76	1454.67	2212.10	2644.60
Fixed Assets (Rs. lakhs)	1889.21	2029.81	2078.33	2355.14	2557.20
Dividend (%)	10	10	25	90	20
Dividend Amount (Rs. lakhs)	38.07	38.07	95.18	342.64	83.90
Earning Per Share (Rs.)	3.25	2.90	13.71	29.89	13.25
Dividend Per Share (Rs.)	1.00	1.00	2.50	9.00	2.00
Book Value Per Share (Rs.)	25.38	27.18	38.21	58.10	69.46
Return on Networth (%)	12.81	10.66	35.88	51.43	19.07
P A T / Sales (%)	3.43	2.26	13.34	21.05	8.00
Fixed Assets Turnover (times)	1.91	2.40	1.88	2.29	2.46
Interest Cover (times)	1.98	1.67	3.64	6.57	4.19



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held at 11.00 AM on Friday the 7th September 2001, at Rani Seethai Hall, No. 603, Anna Salai, Chennai - 600 006 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 31.03.2001 and the Reports of the Directors and Auditors thereon.
2. To declare dividend
3. To appoint a Director in the place of Field Marshal Sam Manekshaw, MC, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. Shyam B. Ghia who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

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 consent of the Members be and is hereby accorded to the Board of Directors to apply the funds of the Company towards premium payable to insurance companies for providing policies to the Company to indemnify or pay on behalf of the Directors and Officers against any claim made against them in their capacity as Director/Officer of the Company.

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

RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and is hereby altered in the following manner:

- A) Existing Clause 3(b) be substituted with the following article

The Redeemable Preference Shares shall confer the right on the holders thereof to be paid out of any profits that may be at any time be determined to be distributed

among members, a fixed cumulative dividend at such rate as may be determined by the Board of Directors from time to time, on the capital for the time being paid-up thereon in priority to the Equity Shares.

- B) The following articles shall be inserted

In article 1(b) the following clauses be inserted.

"Beneficial Owner" means the beneficial owner as defined under clause (a) of sub-section (1) of the Section 2 of the Depositories Act, 1996.

"Depository" shall mean a depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996."

"Depositories Act, 1996" shall mean and include any statutory modification or re-enactment thereof for the time being in force.

"Member" means duly registered holder, from time to time, of the shares of the Company of any class and includes the subscribers to the Memorandum of the Company and every person whose name is entered as a beneficial owner in the records of the Depository, but does not include the bearer of a share warrant of the Company issued in pursuance of Section 114 of the Act.

"Securities and Exchange Board of India" (SEBI) means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Security" means such security as may be specified by SEBI from time to time or security under the Depositories Act, 1996.

In Article 6, after clause (2) the following clause 2A shall be inserted:

Notwithstanding anything contained in this article, when the shares are dealt with in a depository, the Company shall intimate the details of allotment of shares to the depository immediately on allotment of such shares.

After article 12, the following clauses shall be inserted:

- 12A. Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form.

The company shall further be entitled to maintain a Register of Members with the details of members holding shares on material and dematerialised form in any media as permitted by law including any form of electronic media.

12B. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed under the Depositories Act, 1996, issue to the beneficial owner the required certificates of securities.

12C. All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 187B, 187C and 372/372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

In Article 37A the following proviso shall be inserted:

Provided that the restriction contained in this article shall not apply to shares held in depository.

After Article 44, the following new article shall be inserted:

44A. Nothing contained in the Articles which is inconsistent with the provisions of Depositories Act, 1996 shall apply to a transfer of securities effected by a transferor or transferee both of whom are entered as beneficial owners in the records of a Depository.

After Article 45, the following new article shall be inserted:

45A. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members and Security holders for the purposes of this Articles.

After Article 51, the following new article shall be inserted:

51A Except as specifically provided in these articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares, transfer and transmission of shares and voting at meetings shall be applicable to shares held in a depository so far as they apply to shares held in physical form subject to the provisions of Depositories Act, 1996.

After Article 160 (1), the following article shall be inserted:

160 (1A) Notwithstanding anything in the Companies Act, 1956 or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

By Order of the Board

For AVT Natural Products Ltd.,

Place : Chennai

V. Suresh

Date : 23rd July, 2001

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 01.09.2001 to 07.09.2001 (both days inclusive)
4. Members are requested to intimate changes, if any, in their registered address to the Company immediately.
5. The unclaimed equity dividend upto the financial years 1993-94 have been transferred to the General Revenue Account of the Central Government. Those shareholders, who have so far not claimed their dividend for the said financial years, may claim the same from the Registrar of Companies, Tamil Nadu at Chennai.
6. It may please be noted that Dividends which remain unclaimed/unencashed over a period of 7 years have to be transferred by the Company to "Investor Education and Protection Fund" maintained with Central Government and the shareholders cannot make any claim for the dividends once the unclaimed dividends are transferred to such Fund.
The shareholders are, therefore, advised to claim the unclaimed dividend, if any, immediately.
7. The Company's shares are listed at the Stock Exchanges at Chennai, Mumbai, Ahmedabad and Cochin. The Annual Listing Fees for the year 2001-02 has been paid to all the above said stock exchanges.

EXPLANATORY STATEMENT

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

ITEM NO. 6

The Company desires to take an insurance policy for a sum not exceeding Rs.1 Crore in a year, to indemnify the Directors and Officers of the Company against possible civil liability claims that may arise in the course of performance of their duties. The resolution as set out above requires the approval of the members.

All the Directors are interested in the resolution.

ITEM NO. 7

- A) Presently, the Article 3(b) of Articles of Association prescribes the preference dividend on preference shares as 12% or above. It is now proposed to give powers to the Board of Directors to determine the preference dividend from time to time depending on the market conditions.

Hence this amendment.

- B) Consequent to The Stock Exchange, Mumbai making it compulsory for trading of company's shares in dematerialised form, the Company has signed agreements with National Securities Depository Limited and Central Depository Services (India) Ltd., and established connectivity with them for making the Company's shares available for dematerialisation.

The Depositories Act, 1996 has modified some of the provisions of the Companies Act, 1956 pertaining to the issue, holding, transfer and dealing in shares and other securities and issue of relevant certificates to facilitate implementation of the Depository System. The Articles of Association of the Company is proposed to be amended as set out in the notice to reflect these provisions.

Accordingly, the Special Resolution as set out in the notice is placed for approval of the shareholders.

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

A Copy of the Memorandum and Articles of Association and the Agreements entered into the by the Company with National Securities Depositories Limited and Central Depository Services (India) Limited are available for inspection at the Registered Office of the Company between 11.00 a.m to 1.00 p.m. on any working day of the Company prior to the meeting.

By Order of the Board
For AVT Natural Products Ltd.,

Place : Chennai
Date : 23rd July, 2001

V. Suresh
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Fifteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2001.

FINANCIAL RESULTS

	(Rs. In lakhs)	
	00-01	99-00
Turnover	6,297.49	5,404.55
Profit before tax	504.41	1,147.26
Profit after tax	504.41	1,137.76
Profit brought forward	140.26	82.83
Total amount available for Appropriation	644.67	1,220.59

APPROPRIATIONS

General Reserve	400.00	700.00
Interim Dividend	—	342.64
Tax on Interim Dividend	—	37.69
Proposed dividend	76.14	—
Tax on proposed dividend	7.77	—
Profit carried forward	160.76	140.26

DIVIDEND

Your Directors are pleased to recommend a dividend of 20% on Equity Shares, out of the profits for the year ended 31.03.2001, which is exempt from income tax in the hands of the shareholders, and therefore no Income Tax is deductible at source.

OPERATIONS

During the year under review, the performance of your company was satisfactory. It produced 981 MT of Marigold and Spice Oleoresins as against 765 MT last year. The sales increased by 16.52% compared to the previous year. But the net profit declined by 55.67% over the previous year. This decline in profitability was caused mainly by three factors, viz., considerable drop in the yield from marigold flowers due to adverse climatic conditions, glut in the global market for marigold oleoresin and the consequent lower price realisation.

DIVERSIFICATION

In view of the uncertain conditions prevailing in the international market for marigold oleoresin and the need to sustain the momentum of growth, your company has diversified into production of spice oleoresins. It is expected to contribute to the growth of the Company in the years to come.

RESEARCH AND DEVELOPMENT

Your company is focussing aggressively in R & D for identifying and developing new products for further growth of the Company. Continuous efforts are being made to upgrade the R & D facilities to develop new products to meet specialized customer requirements. Through this, your company hopes to become a quality oriented, broad based natural products company in future.

FIXED DEPOSITS

As on 31.03.2001, a total sum of Rs.90,000/- due to 2 fixed deposit holders remained unclaimed. Out of this, a deposit for a sum of Rs.5,000/- was renewed subsequently.

DEMATERIALISATION OF SHARES

The Stock Exchange, Mumbai, has made it mandatory for your company to make available its shares for trading in dematerialised form. Accordingly, your company executed agreements and established connectivities with both the depositories in the country viz., The National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd., (CDSL). The shares can now be dematerialised and the members are requested to avail the facility.

DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company Field Marshal Sam Manekshaw, MC, and Mr. Shyam B. Ghia retire by rotation at the 15th AGM and being eligible, offer themselves for re-appointment.

It may be recalled that at the last Annual General Meeting, the members approved the appointment of Mr. M.S.A. Kumar, as the whole-time Director of the