

# **AVT NATURAL PRODUCTS LIMITED**

30<sup>th</sup> Annual Report  
2015-2016



# **AVT NATURAL PRODUCTS LIMITED**

## **BOARD OF DIRECTORS**

Mr. Ajit Thomas, *Chairman*  
Mr. M.A. Alagappan  
Mr. P. Shankar. I.A.S (Retd.)  
Mr. A.D. Bopana  
Mrs. Shanthi Thomas  
Mr. Habib Hussain

## **AUDIT COMMITTEE**

Mr. M.A. Alagappan, *Chairman*  
Mr. P. Shankar. I.A.S. (Retd.)  
Mr. A.D. Bopana  
Mr. Habib Hussain

## **NOMINATION & REMUNERATION COMMITTEE**

Mr. M.A. Alagappan, *Chairman*  
Mr. P. Shankar. I.A.S. (Retd.)  
Mr. Habib Hussain

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Ajit Thomas, *Chairman*  
Mr. A.D. Bopana  
Mr. Habib Hussain

## **KEY MANAGERIAL PERSONNEL**

Mr. M.N. Satheesh Kumar, President & COO - *Manager*  
Mr. A. Ramadas, Sr. Vice President & CFO  
Mr. Dileepraj. P, Company Secretary

## **AUDITORS**

M/s. Suri & Co.,  
Chartered Accountants  
No. 4, Chevaliar Shivaji Ganesan Salai,  
T. Nagar, Chennai - 600 017.

## **BANKERS**

Bank of Baroda  
State Bank of India  
The South Indian Bank Ltd.,  
Citibank N.A.,  
The Hongkong and Shanghai  
Banking Corporation Ltd.,

## **PLANT LOCATIONS**

SF No. 234/1, Mysore Trunk Road, Pudukavalli,  
Sathyamangalam – 638 401, Erode District, Tamil Nadu.  
Tele: 04295 - 243220

HL No. 1182, Halkurke Village, Honnavalli Hobli,  
Tiptur Taluk - 572 201, Tumkur District, Karnataka.  
Tele: 08134 - 264177

Plot No.225/1A, 5-7, Kaipoorikkara,  
South Vazhakulam, Marampilly Post, Aluva – 683107,  
Ernakulam District, Kerala.  
Tele: 0484-2848240 / 2677262, Fax ; 0484 - 2677512

## **SUBSIDIARY COMPANIES**

AVT Tea Services Ltd.,  
19, Heathmans Road, London, SW6 4TJ  
United Kingdom.

AVT Tea Services North America LLC  
8805, Tamiami Trail North suite 160  
Naples FL 34108.

## **REGISTERED OFFICE**

60, Rukmani Lakshmiipathy Salai  
Egmore, Chennai – 600 008.  
Tele : 044-28584147, Tele Fax: 044-28584147  
E-mail: avtnpl@avtnatural.com  
Web: www.avtnatural.com  
CIN: L15142TN1986PLC012780

<b>Contents</b>	<b>Page No.</b>
Notice to the Shareholders	2
Directors' report	8
Management Discussion and Analysis Report	27
Corporate Governance Report	29
Independent Auditors' Report	40
Balance Sheet	44
Statement of Profit and Loss	45
Notes on Accounts	46
Cash Flow Statement	66
Financial Highlights	70
Consolidated Statements	71

## **NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Company will be held at 11.00 A.M. on Wednesday, the 10<sup>th</sup> August 2016 at Hotel Vestin Park, Palkhi Hall, 39, Montieth Road, Egmore, Chennai – 600 008, to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March, 31 2016, and the reports of the Board of Directors and Auditors thereon.
2. To declare final dividend.
3. To appoint a Director in place of Mr. Ajit Thomas (DIN: 00018691), who retires by rotation and is eligible for re-appointment.
4. To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof.

“RESOLVED that pursuant to the provisions of Section 139,142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 25.07.2014, the Company hereby ratifies the appointment of M/s. Suri & Co., Chartered Accountants, Chennai (Firm's Regn. No. 004283S), as Auditors of the Company to hold office till the conclusion of the next AGM to be held in the calendar year 2017 and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, as may be determined by the audit committee in consultation with the auditors”.

### **SPECIAL BUSINESS**

5. **Payment of Commission to Mr. Ajit Thomas, Non-Executive Chairman**

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

“RESOLVED that pursuant to the provisions of Section 197,198 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the payment of remuneration, to Mr. Ajit Thomas, Non-Executive Chairman, by way of commission of 1% per annum of net profits of the Company, for a period of 3 years commencing from

April 1, 2016 to March 31, 2019 and such payment be made out of profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 for each corresponding year, or any statutory modifications(s) or re-enactment thereof;

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

6. **Service of Documents**

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

“RESOLVED that pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any member by the Company by sending it to him by registered post or by speed post or by courier or by delivery to his office or address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the shareholder for delivery of such document to him through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the Company at least 7 days advance of the despatch of the document by the Company and that no such request shall be entertained by the Company to post the despatch of such document by the Company to the shareholder.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

By order of the Board  
For **AVT Natural Products Limited**

Place : Chennai  
Date : 30<sup>th</sup> May 2016

**Dileepraj. P**  
Company Secretary

Registered office:  
60, Rukmani Lakshmipathy Salai  
Egmore, Chennai – 600 008

## 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 10% 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 the Share Transfer books of the Company will remain closed from 4<sup>th</sup> August 2016 to 10<sup>th</sup> August 2016 (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 declaration, to those members whose names appear in the Register of Members as on 10<sup>th</sup> August 2016.
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. Members are requested to notify immediately any change in their address, if any, to the Company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002 in the case of physical holdings, and to their respective Depository Participants in case of dematted shares.
8. Members are requested to lodge their e-mail ID's along with their Name and Folio / Client ID No. to Company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002. The members can also log into their website <http://green.cameoindia.com> and register for sending physical copy or soft copy of the annual report. This will enable the Company to send all future communications including Annual Reports through electronic mode.
9. Members are requested to notify the Company's Share Transfer Agent immediately of their bank account number and name of the bank and branch in the case of physical holdings, and to their respective Depository Participants in case of dematted shares,

so that the payment of dividend when made through National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT), Direct Credit, Dividend Warrants etc., can be made without delay.

10. In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividend declared by the Company for earlier years, which remain unclaimed for a period of 7 years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government.
11. Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the un-encashed warrants immediately to the Company. Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules 2012, the Company is providing / hosting the required details of unclaimed amount referred to under Section 205C(2) of the Companies Act, 1956 on its website as well as on the website of the Ministry of Corporate Affairs (MCA) viz., [www.iepf.gov.in](http://www.iepf.gov.in).
12. Members are requested to note that trading of company's shares through Stock Exchanges are permitted only in demat form. Accordingly, members who have not yet converted their holdings into electronic demat form may do so immediately.
13. 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.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
15. Members may also note that the Notice of the 30<sup>th</sup> Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website: [www.avtnatural.com](http://www.avtnatural.com) for downloading. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai 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](mailto:investor@cameoindia.com).

16. 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 the 30<sup>th</sup> 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 IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 30<sup>th</sup> 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.

17. The members, who have not yet obtained the share certificate for the Bonus shares issued by the Company in the year 2006 and 2013, are requested to approach immediately the Company's Share Transfer Agent, M/s Cameo Corporate Services Limited, 'Subramaniam Building', No.1, Club House Road, Chennai - 600 002 and claim the same.

**18. Instructions for members for voting electronically:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulations 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company is pleased to provide members facility to exercise their right to vote at the 30<sup>th</sup> Annual General Meeting (AGM) by electronic mean's 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.

- (i) The voting period begins on Sunday, 7<sup>th</sup> August 2016 at 9.00 A.M. and ends on Tuesday, 9<sup>th</sup> August 2016 at 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) of 3<sup>rd</sup> August 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders shall be allowed to participate in the meeting but who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>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).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <AVT Natural Products Limited> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) 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.
- (xx) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and

Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.
- (xxi) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## 19. 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 3 days 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 of votes in favour of the resolutions.
- iii) The Voting results will be submitted to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) within 48 hours of conclusion of the AGM in the format specified by SEBI.
- iv) The Results declared along with the report of the Scrutinizer shall be placed on the website of the

Company [www.avtnatural.com](http://www.avtnatural.com) and on the website of CDSL immediately after the declaration of the result.

- v) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 3<sup>rd</sup> August 2016. A person who is not a Member as on the cut off-date should treat this Notice for information purposes only.

20. 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 this meeting, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, their other Directorships, Committee memberships, shareholdings in the Company are given below:

**Mr. Ajit Thomas**

Mr. Ajit Thomas, aged 62 years, holds a Bachelor's degree in Statistics. He is an Industrialist and the Promoter Chairman of the Company. He has expertise in business and management with AVT Group of Companies for more than three and half decades.

**His other Directorships are:**

Sl. No.	Name of the Company	Nature of Office held
1	A.V. Thomas & Company Limited	Executive Chairman
2	The Nelliampathy Tea & Produce Company Limited	Chairman
3	Neelamalai Agro Industries Limited	Chairman
4	The Midland Rubber & Produce Company Limited	Chairman
5	AVT McCormick Ingredients Private Limited	Chairman
6	Teleflex Medical Private Limited	Chairman
7	Midland Latex Products Limited	Chairman
8	A.V. Thomas Leather & Allied Products Private Limited	Chairman
9	AVT Holdings Private Limited	Chairman
10	Aspera Logistics Private Limited	Director
11	Midland Corporate Advisory Services Private Limited	Director
12	A.V. Thomas Exports Limited	Director

13	A.V. Thomas Investments Company Limited	Director
14	L.J. International Limited	Director
15	AVT Gavia Foods Private Limited	Director
16	AVT Tea Services Limited, U.K.	Director
17	Saksoft Limited	Director

He is the Chairman of the Stakeholders Relationship Committee and member of the Corporate Social Responsibility Committee of the Company.

His spouse Mrs. Shanthi Thomas is also the Director of the Company.

Shareholding in the Company: 15,22,840 (1%) equity shares.

**His other Committee Memberships are :**

Sl. No.	Name of the Company	Name of the Committee
1	Saksoft Limited	Member, Audit Committee
		Member, Nomination and Remuneration Committee
		Member, Stakeholders Relationship Committee
2	Neelamalai Agro Industries Limited	Chairman, Stakeholders Relationship Committee
3	The Midland Rubber and Produce Company Limited	Chairman, Stakeholders Relationship Committee
4	The Nelliampathy Tea & Produce Company Limited	Chairman, Stakeholders Relationship Committee
5	A.V. Thomas & Company Limited	Chairman, Corporate Social Responsibility Committee

This may also be treated as part of the explanatory statement.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all the material facts relating to the Special Business mentioned above and shall be taken as forming part of the notice.

### Item No. 5

Mr. Ajit Thomas is the Non-Executive Chairman of the Company since 30<sup>th</sup> August 1989 and he spends considerable time and efforts for the growth of the Company.

The Central Government vide its order SRN No. B88980644/1/2013-CL-VII dated 27.12.2013 had approved the payment of commission of 1% of net profits of the Company to him. Accordingly, the Company had paid the commission for the financial year 2013-14, 2014-15 and 2015-16.

In order to compensate the time and efforts spent by Mr. Ajit Thomas, it is proposed to pay him a commission of 1% on the net profits of the Company for 3 years starting from the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2019.

The payment of commission would be in addition to the sitting fees payable to him for attending Board / Committee Meetings.

Save and except Mr. Ajit Thomas, Chairman of the Company, Mrs. Shanthi Thomas, Director and their relatives to the extent of their shareholding interest, if any, in the Company, none of other Directors / Manager or other Key Managerial Personnel or their relatives of the Company are in any way, concerned or interested financially or otherwise, in the resolution set out at item No. 5 of the Notice.

The Board therefore, recommends the Ordinary Resolution set out at item no. 5 of the Notice for approval by the shareholders.

### Item No. 6

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post or by speed post or by courier or by delivery at his office or address or by such electronic or other mode as may be prescribed. Further a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined in its Annual General Meeting.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution as set out in item no. 6 for approval of the Shareholders.

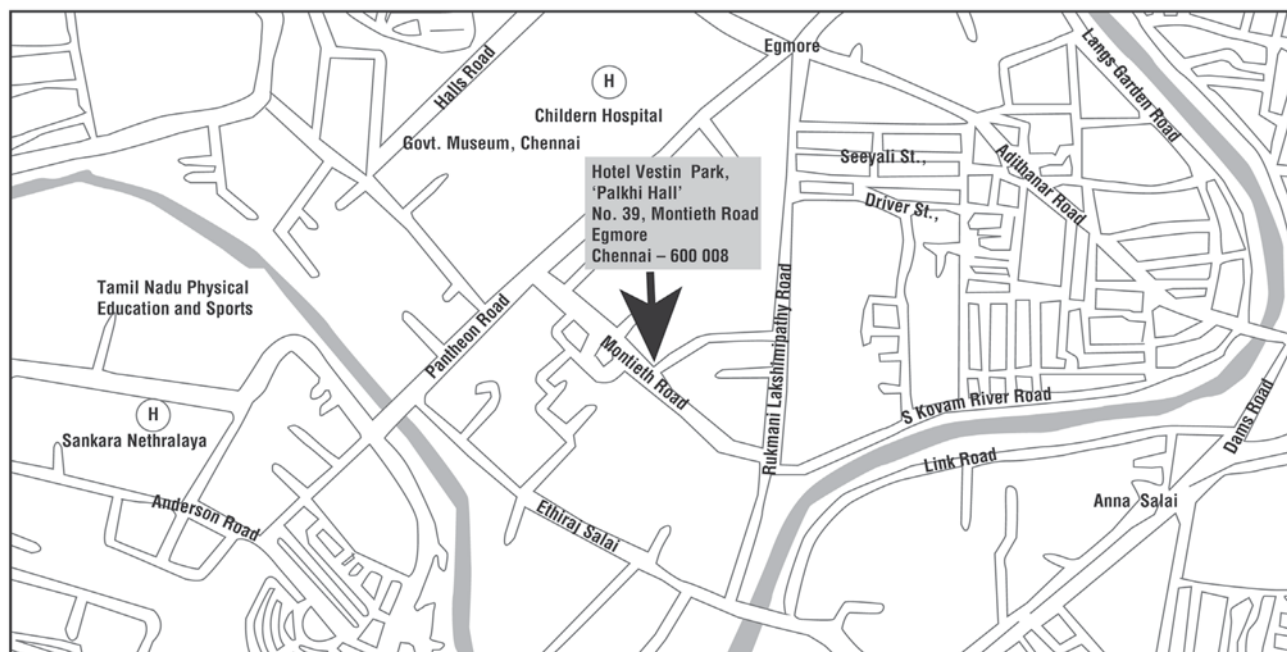
By order of the Board  
For **AVT Natural Products Limited**

Place : Chennai  
Date : 30<sup>th</sup> May 2016

**Dileepraj. P**  
Company Secretary

Registered office:  
60, Rukmani Lakshmiipathy Salai  
Egmore, Chennai – 600 008.

## ROUTE MAP



## **DIRECTORS' REPORT**

Your Directors are pleased to present the Thirtieth Annual Report of the Company together with the Audited Accounts for the financial year ended March 31, 2016.

### **FINANCIAL RESULTS:**

	(Rs. In Crores)	
Particulars	2015-16	2014-15
Income from Operations	267.31	256.59
Other Income	1.16	3.29
Total Income	268.47	259.88
Profit before tax for the year	34.71	44.20
Less : Provision for taxation		
- Current Tax	11.00	14.20
- Deferred Tax	0.45	(0.08)
Profit after tax	23.26	30.08
Add: Surplus brought forward	21.45	30.52
Total Amount available for appropriation	44.71	60.60
Less:		
Interim Dividend (20%) paid on equity shares	3.05	3.04
Tax on Interim Dividend	0.62	0.61
Transfer to General Reserve	15.00	30.00
Proposed Final Dividend on Equity Shares @ 20 % (Re.0.20 per equity share on face value of Re.1/- )	3.05	4.57
Provision for tax on Dividends	0.62	0.93
Surplus carried Forward to balance sheet	22.38	21.45

### **OPERATIONS REVIEW**

Total income increased from Rs.259.88 Crores in 2014-15 to Rs.268.47 Crores in 2015-16 - increase of 3.30%. Profit after Tax was Rs. 23.26 Crores (previous year : Rs.30.08 Crores)

With Fixed Assets of Rs.59.02 Crores (previous year Rs.55 crores), our Asset Turnover ratio is a healthy 4.53 with Return on Sales of 21.98%. Interest cost for the year is decreased by Rs.2.31 crores.

### **DIVIDEND**

Your Directors are pleased to recommend a final dividend of 20% on Equity Share Capital, for the year ended 31.03.2016, amounting to Rs. 304.57 Lakhs, excluding dividend tax. During the year, the Board declared an Interim Dividend of 20%, amounting to Rs. 304.57 Lakhs, excluding dividend

tax. The aggregate of dividend declared for the year was 40% amounting to Rs. 609.14 Lakhs, excluding dividend tax.

### **TRANSFER TO GENERAL RESERVE**

Your directors are pleased to transfer a sum of Rs.15 crore towards the General Reserve

### **FINANCE**

Cash and cash equivalents as at 31<sup>st</sup> March 2016 was Rs 743.57 lakhs (previous year Rs. 1027.76 lakhs). The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters and which were kept under strict check through continuous monitoring.

### **WINDMILL**

The wind mill of the Company located at Kokkampalayam village, Dharapuram Taluk, Erode District, Tamil Nadu generated 6,50,659 units of electricity in the year 2015-16 against 8,01,130 units generated in 2014-15. The Company had utilised the 3,94,068 units generated as captive consumption during 2015-16 for its Satyamangalam plant and the balance 2,56,591 units are being sold to TNEB.

### **BOARD MEETING**

The Board of Directors met five times during this financial year. The details of the Board meeting are given in the Corporate Governance report. The intervening gap between the meetings were within the period stipulated under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **AUDIT COMMITTEE MEETING**

The Audit Committee of the Company met four times during the current financial year. The details of the Audit Committee meetings are given in the Corporate Governance report. The intervening gap between the meetings were within the period stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **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 except the 'Corporate Guarantee' given on behalf of AVT Tea Services Ltd., London, which is given in the Note No. 27 to the financial statements.

The details of investments made by the Company are given in the Note Nos. 11 & 13 to the financial statements.

### **LISTING WITH STOCK EXCHANGES**

The equity shares of the Company are continued to be listed in BSE Limited, (BSE) and the National Stock