

AVT NATURAL PRODUCTS LIMITED

32nd Annual Report
2017-2018

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. P. Shankar, I.A.S. (Retd.), *Chairman*
Mr. Ajit Thomas
Mr. Habib Hussain

KEY MANAGERIAL PERSONNEL

Mr. M.N. Satheesh Kumar, President and CEO
Mr. A. Ramadas, Sr. Vice President and CFO
Mr. Dileepraj. P, Company Secretary

AUDITORS

M/s PKF Sridhar & Santhanam LLP,
Chartered Accountants,
KRD Gee Gee Crystal, 7th Floor,
91-92, Dr. Radhakrishnan Salai,
Mylapore, Chennai - 600004.

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.
Tel.: 04295 - 243220

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

Plot No.225/1A, 5-7, Kaipoorikkara,
Vazhakulam, Marampilly Post, Aluva – 683105,
Ernakulam District, Kerala.
Tel.: 0484-2848240, Fax: 0484 - 2677512

SUBSIDIARY COMPANIES

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

AVT Tea Services North America LLC.
(Wholly owned Subsidiary of AVT Tea Services Ltd.)
8805, Tamiami Trail North suite 160
Naples FL 34108.

REGISTERED OFFICE

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

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Company will be held at 11.00 A.M. on Tuesday, the 14th August 2018 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, 2018 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. Habib Hussain (DIN: 00018665), who retires by rotation and is eligible for re-appointment.

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

Place : Chennai
Date : 29th May 2018

Dileepraj. P
Company Secretary

Registered office:
60, Rukmani Lakshmi pathy 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 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 intending 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 8th August 2018 to 14th August 2018 (both days inclusive) for the purpose of Annual General Meeting (AGM).
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. 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 electronic holdings.
7. 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.
8. 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.
9. As per the applicable provisions and rules thereunder any dividend remaining unpaid and unclaimed at the end of 7th year thereafter, shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the dividend paid during the year 2010-11 and remaining unpaid and unclaimed shall be transferred to IEPF by 14th October 2018. Besides, there has now been a change in the applicable provisions under the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 & 2017, which now additionally mandate a transfer of the corresponding shares as well, to the IEPF, regarding which adequate notice has been given by the Company through individual notices to the concerned shareholders at their registered address, newspaper advertisement and the information in the

company's web site. Such shares shall be credited to the demat account of the IEPF Authority from time to time. Anybody whose dividend or corresponding shares are thus involved, may immediately contact the Company / Share Transfer Agent.

10. 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.
11. 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.
12. 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.
13. Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website: **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**.
14. 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 32nd 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 32nd 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.

15. The members, who have not yet obtained the share certificates for the bonus shares issued by the Company in the year 2006 and 2013, are requested to approach 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.
16. It has been found that many shareholders maintain more than one folio i.e. multiple folios. In order to provide efficient service, we request the shareholders to consolidate the folios by forwarding their share certificates to Registrar and Share Transfer Agents for necessary corrections in their records.

17. 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 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 32nd 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.

- (i) The voting period begins on Saturday, the 11th August 2018 at 9.00 A.M. and ends on Monday, the 13th August 2018 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 7th August 2018 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 DP ID 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	<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"> • 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)	<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"> • If both the details are not recorded with the depository or the 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 <AVT Natural Products Limited> 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 a 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 changed 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

- 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.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.

(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.

18. **General instructions:**

- Mr. V. Suresh, Practising Company Secretary (Membership No. FCS: 2969 & C.P. No. 6032) has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
- 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.

- The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.avtnatural.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to BSE Limited and the National Stock Exchange of India 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.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 7th August 2018. A person who is not a Member as on the cut off-date should treat this Notice for information purposes only.

19. 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. Habib Hussain

Mr. Habib Hussain, aged 65 years, holds a degree in Electronics Engineering from Bangalore University and has vast experience. He joined AVT group in the year 1974 and rose to become the Director of the many of the group Companies. He has been the Director of AVT Natural Products Limited since 1995. He is the Chief Executive of A.V. Thomas Leather & Allied Products Limited and has rich and vast expertise in business administration and international business.

His other Directorships are:

Sl. No.	Name of the Companies / Organisations	Nature of Office held
1	A.V. Thomas & Company Limited	Director
2	Alina Private Limited	Whole Time Director
3	The Nelliampathy Tea & Produce Company Limited	Director
4	Aspera Logistics Private Limited	Director
5	A.V. Thomas Investments Company Limited	Director
6	AVT Holdings Private Limited	Director

Sl. No.	Name of the Companies / Organisations	Nature of Office held
7	Midland Corporate Advisory Services Private Limited	Director
8	A.V. Thomas Exports Limited	Director
9	Leather Sector Skill Council	Director
10	Consortium of Shoe and Products Manufactures Private Limited	Director
11	Council for Leather Exports	Director
12	National Skill Development Corporation	Director
13	Indian Leather Industry Foundation	Director

He is the member of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.

His shareholding in the Company : 2,00,080 (0.13%)

His other Committee Memberships are :

Sl. No.	Name of the Company / Organisation	Name of the Committee
1	The Nelliampathy Tea & Produce Company Limited	Member, Stakeholders Relationship Committee
2	National Skill Development Corporation	Chairman, Audit Committee

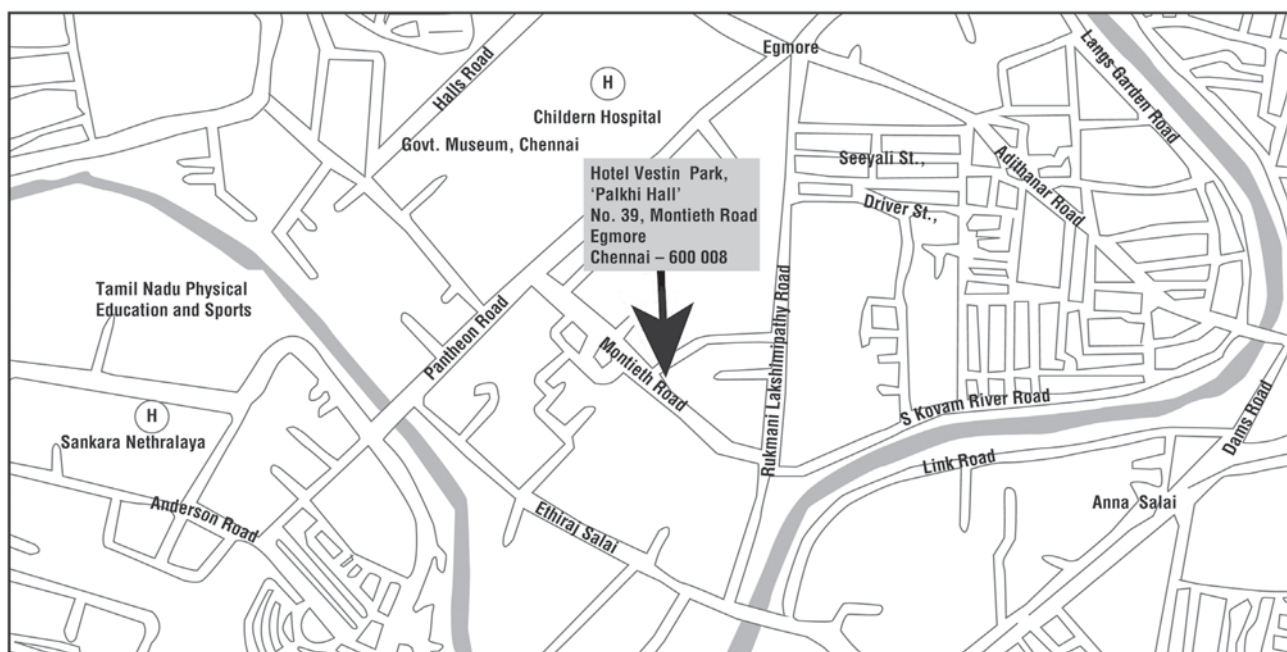
By order of the Board
For **AVT Natural Products Limited**

Place : Chennai
Date : 29th May 2018

Dileepraj. P
Company Secretary

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

ROUTE MAP



DIRECTORS' REPORT

Your Directors are pleased to present the Thirty Second Annual Report of the Company together with the Audited Accounts for the financial year ended March 31, 2018.

FINANCIAL RESULTS

	(Rs. in Crores)	
Particulars	2017-18	2016-17
Income from Operations	300.22	307.85
Other Income	12.02	5.91
Total Income	312.24	313.76
Profit before tax for the year	32.98	41.90
Less : Provision for taxation		
- Current Tax	11.70	13.25
- Deferred Tax	(0.11)	0.72
Profit after tax	21.39	27.93
Add: OCI classified to Retained Earnings	0.08	(0.46)
Add: Surplus brought forward	31.95	26.82
Less:		
Unrealised Fair Value gains not available for appropriation	(4.33)	(3.77)
Total Amount available for dividend payout	49.09	50.52
Less:		
Interim Dividend (20%) paid on equity shares	3.05	3.05
Tax on Interim Dividend	0.62	0.62
Transfer to General Reserve	10.00	15.00
Final Dividend on Equity Shares paid for earlier year	3.05	3.05
Tax on Final Dividend	0.62	0.62
Net Amount available for dividend payout	31.75	28.18
Surplus carried Forward to balance sheet	36.08	31.95
Proposed Final Dividend for the current year *		
Tax on proposed final dividend for the current year *		

* Proposed final dividend on equity shares and tax on dividend have not been recognised as a liability in the current year's accounts in accordance with the Indian Accounting Standard 10 Events after the reporting period.

OPERATIONS REVIEW

Total income decreased from Rs. 313.76 crores in 2016-17 to 312.24 Crores in 2017-18 with a fall of 0.49%. Profit after Tax for the year 2017-18 is Rs. 21.39 Crores (previous year : Rs. 27.93 Crores), a decrease of 23.40%.

With Fixed Assets of Rs 84.47 Crores (previous year Rs.57.43 crores), our Fixed assets turnover ratio is a healthy

5.29 (previous year 5.32) with Return on Sales of 11.52% (previous year 13.93%).

DIVIDEND

Your Directors are pleased to recommend a final dividend of Re.0.20 per share (20%) with face value of Re.1/- each on Equity Share Capital, for the year ended 31.03.2018, amounting to Rs 304.57 Lakhs, excluding dividend tax. During the year, the Board declared an Interim Dividend of Re.0.20 per share (20%) with face value of Re.1/- each, amounting to Rs.304.57 Lakhs, excluding dividend tax. The aggregate of dividend declared during the year is Re.0.40 per share (40%) with face value of Re.1/- each amounting to Rs.609.14 Lakhs, excluding dividend tax.

TRANSFER TO GENERAL RESERVE

Your directors are pleased to transfer a sum of Rs.10 crore to the General Reserve

FINANCE

Cash and bank balances as at 31st March 2018 was Rs.664.84 lakhs (previous year Rs.799.12 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 Kakkampalayam village, Dharapuram Taluk, Erode District, Tamil Nadu generated 9,98,609 units of electricity in the year 2017-18 against 9,32,626 units generated in 2016-17. The Company had utilised the 6,54,032 units generated as captive consumption during 2017-18 for its Satyamangalam plant and the balance units were sold to TNEB.

BOARD MEETING

The Board of Directors met six times during the 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 the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE MEETING

The Audit Committee of the Company met six 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 the Companies Act, 2013 and 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 and Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, except the 'Corporate Guarantee' given on behalf of its wholly owned subsidiary AVT Tea Services Ltd., London, which is given in the notes No.34 to the financial statements.

The details of investments made by the Company are given in the notes No.5 to the financial statements.

LISTING WITH STOCK EXCHANGES

The Company shares are continued to be listed in both BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid listing fees up to 31st March 2019 to the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

DSIR APPROVAL FOR IN-HOUSE R&D FACILITY AT VAZHAKULAM, ALUVA AND BANGALORE

The recognition by the Department of Scientific and Industrial Research (DSIR), New Delhi for the Company's both R&D facilities situated at Vazhakulam, Aluva, Ernakulam Dt., Kerala and the Manchenahaili Village, Kasabe Hobari, Bangalore are valid upto 31st March, 2019.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes or events that have occurred since the date of the Balance Sheet which could have any effect on the financial position of the Company

DIRECTORS & KEY MANAGERIAL PERSONNEL

i) *Director retiring by rotation*

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Habib Hussain, Director retires by rotation at the 32nd Annual General Meeting and being eligible, offers himself for re-appointment.

ii) *Declaration from Independent Directors on Annual Basis*

The Company has received necessary declaration from all the three 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.

iii) *Key Managerial Personnel*

Mr. M.N. Satheesh Kumar, President and CEO, Mr. A. Ramadas, Sr. Vice President and CFO and Mr. Dileepraj. P, Company Secretary are the Key Managerial Personnel of the Company.

PERFORMANCE OF SUBSIDIARY/JOINT VENTURE /ASSOCIATES

a) **AVT Tea Services Ltd., London, UK (AVTTSL)**

The present authorized share capital of the Company is Pound Sterling (GBP) 1 million. The paid up capital of the Company as on 31st March 2018 is Pound Sterling (GBP) 1 million. AVTTSL is the marketing arm of your Company for de-cafeinated tea and instant tea. The AVTTSL recorded sales of Rs.106 Crores (previous year Rs.74 crore) and profit of Rs.1.31 crore (previous year loss of Rs.0.93 crore) for the year 2017-18.

The increase in Instant Tea business of your Company is the result of continued and persistent marketing strategy pursued by them.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of subsidiary and step-down subsidiary in the prescribed Form AOC-1 is provided in the Page Nos. 92 & 93 of Annual report.

b) **Accounts of subsidiaries**

Pursuant to Section 136 of the Companies Act, 2013, a copy of the audited financial statements of AVT Tea Services Ltd., London for the period ended 31.03.2018, the overseas subsidiary of your Company shall be provided to any shareholder, free of cost on their request. The Audited financial statements are also available on the website of the Company. The consolidated financial statements audited by the statutory auditors of the Company have been attached to this Report.

c) **Joint Venture / Associate Company**

The Company does not have any Joint Venture / Associate Company

d) **Conservation of energy, technology, absorption, foreign exchange earnings and Outgo**

The particulars prescribed by the section 134 (3) (m) of the Companies Act 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo are furnished in the **Annexure-I** to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act 2013, CSR Committee of the Board of Directors was formed to recommend

- the policy on Corporate Social Responsibility (CSR) and
- implementation of the CSR Projects to be undertaken by the Company as per the CSR Policy for consideration and approval by the Board of Directors.